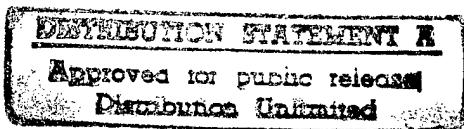


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# ***JPRS Report***



# **China**

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**PROVINCIAL GOVERNMENT WORK REPORTS**

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**Beijing Municipality Government Work Report**

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[Beijing Municipal Government work report given by Chen Xitong, Beijing Municipality mayor, at the fifth session of the ninth Beijing Municipal People's Congress on 17 April]

[Text] Fellow deputies:

On behalf of the Beijing Municipal People's Government, I now submit a work report for your examination and discussion.

**I. Review of the Work of 1991**

The year 1991 marked the first year for implementing the 10-Year Program for the economic and social development of Beijing Municipality and the Eighth Five-Year Plan, and is a year during which we overcame all sorts of difficulties and advanced continuously in the capital's socialist modernization, reform, and opening up. The people of various nationalities across the municipality, under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the nucleus, the State Council, and the Beijing Municipal party committee, comprehensively implemented the party's basic line on "taking economic construction as the central task and on upholding the four cardinal principles, reform and opening up," emancipated minds, developed with strenuous efforts, fulfilled or overfulfilled the economic and social development plan approved at the fourth session of the ninth municipal people's congress, and created a good beginning for realizing the capital's second-step strategic objectives for socialist modernization by the end of this century.

**(1) All Sorts of Difficulties in the Economy Were Overcome and New Improvements Were Made.**

Compared with the preceding year in terms of comparable standards, the whole municipality's gross domestic product grew by 7.5 percent, the national income by 7.2 percent, and financial revenues by 4.1 percent. In agriculture, we overcame serious natural disasters and reaped the 14th bumper harvest. We created the best historical records in total grain output and per-unit yield, and comprehensively increased the production of non-staple foods, including vegetables, meat, eggs, milk, poultry, fish, and fruits; the total industrial output value increased 12.5 percent; local budgetary industrial enterprises ended the decline in economic returns that had lasted for one year and nine months and witnessed an increase of 7.3 percent in profits; the markets were brisk, the commodity prices were basically stable, and the total retail sales of commodities jumped by 16.3 percent; the people's living standards continued to improve, and the average per capita annual income of urban residents for living expenses and the average per capita net income of peasants increased by 2.1 percent and 5.4 percent, respectively, if the price increase was excluded; the

savings deposits of the urban and rural people reached 29.85 billion yuan, up 7.19 billion yuan, marking the greatest growth over past years.

**(2) In Urban Construction, We Entered the Path of Attending Simultaneously to Developing New Communities and Renovating Old Areas, Enabling the Urban and Rural Areas to Have a New Outlook.**

Great achievements were made in building infrastructural facilities on which the urban areas rely for existence and development. A number of road and bridge construction projects represented by the "Xixiang project" and the third-phase Beijing-Shijiazhuang expressway project were completed with good quality and at high speed, making the total length of highways of the whole municipality exceed 10,000 km. During the year, fuel gas users increased by 92,000, and the areas where the central heating supply system was available increased by 2.11 million square meters. The telecommunications capacity was enhanced noticeably, and the telephone exchange capacity increased by 104,000 channels. Fairly great progress was made in communication and transportation. In housing construction, we completed building more than 10 million square meters of houses, a practice that had lasted for five successive years, which was equivalent to building half of Beijing City in the early post-liberation period. Of this, 5.784 million square meters were residential houses which provided housing for 100,000 households. We renovated 27 stretches of dangerous and old houses, covering 1.5 million square meters, of which 500,000 square meters were completed. Regarding the households which had the most serious housing problem—households whose per capita living space was less than two square meters—we managed to solve the problem for more than 50 percent of those located in the urban and outskirts areas and for all of those located in remote suburban areas. The earth work of some water conservancy capital construction projects focusing on harnessing Liangshui He, which will promote the harnessing of 10 rivers, was completed ahead of schedule, thus greatly strengthening the capacity for flood prevention and agricultural irrigation in the urban and rural areas. The plan for greening and beautifying urban and rural areas was overfulfilled, thus raising the overall level of environmental protection and sanitation.

**(3) Science, Technology, and Education Were Gradually Becoming the Guiding Force for Promoting Economic and Social Development, and Various Social Undertakings Witnessed Overall Development.**

The plan for scientific and technological development was enforced smoothly, and the municipality disseminated and applied 3,800 scientific and technological results. The pace of industrializing new technology industrial development experimental zones was notably accelerated, and the technology markets became more brisk. The municipality again registered a large number of new results from research in the social sciences.

Educational investment continued to increase. Nine-year compulsory education achieved new progress, and localities whose population accounts for 95 percent of the municipality's total population reached the fixed standard in enforcing such education. The scale of secondary vocational and technical education was further broadened. The municipality began to readjust the structure of higher education. The difficulty encountered by urban residents in sending their children to nurseries was basically overcome. Cultural undertakings and sports were thriving and the specialized and mass sports activities were rich and colorful. Chongwen district was commended as a national-level culturally advanced unit. The municipality's medical and public health fronts continued to lower the incidence of infectious diseases by implementing the principle of taking prevention as the main task; the planned inoculation rate reached the standard set by the World Health Organization. Thanks to the efforts to expand the hospitals and to build new ones, hospital beds increased to six per thousand people, and the difficulty of being hospitalized was relieved. The municipality reached 98.8 percent of its planned birth rate, and the number of babies born was 36,800 fewer than the planned target. Social welfare and community services were further improved and the undertakings related to handicapped people were extensively supported by the entire society.

**(4) Construction of the Socialist Spiritual Civilization, Democracy, and Legal Systems Were Enhanced, and the Stable and United Situation was Further Consolidated.**

In line with the changes in the international situation and the reality in developing the modernization of the country, the municipality extensively conducted education on patriotism, socialism, and communism. The people of various nationalities throughout the municipality further enhanced their belief in building socialism with Chinese characteristics. Displaying the lofty spirit of "providing help from all quarters when trouble occurs at one spot," the capital's armymen and civilians rushed to deal with the emergencies in combating the biggest flood of the century in the mountainous area of the north suburbs and generously donated relief materials for some localities in south China, which had suffered a catastrophic flood. A large number of heroes and models who had saved others' lives selflessly emerged. In carrying out the in-depth campaign for building districts and counties which are exemplary in the "double-support" activities, Xicheng district and Changping county were commended as national-level advanced units. The municipality named 953 municipal-level civilized units and 17 pairs of units which are regarded as pacesetters in army-civilian mutual support like Liuyin Street, built 34 civilized residential areas, selected 20 good residents who had taken cudgels for a just cause, and commended 1,042 persons with the medal of spiritual civilization construction. Press and publication as well as radio and television departments conducted fruitful work in publicizing the party's basic line, principles, and policies; spreading information and knowledge; and enriching the spiritual life of the people.

Scientific protection and the rational use of historic relics scored new achievements. The People's Liberation Army [PLA], the armed police forces, and the central organs stationed in the municipality made great contributions to building the two civilizations in the capital. In improving socialist democracy, governments at all levels upgraded their consciousness in subjecting themselves to the supervision of the people's congresses and their Standing Committees as well as of their deputies. By giving reports, soliciting opinions, and appointing government advisers and special supervisors, governments at all levels upgraded their initiative in urging the People's Political Consultative Conference [CPPCC] committee, various democratic parties, and nonparty personages to join in and discuss administrative affairs and carry out democratic supervision. The mass autonomous organizations at the grass-roots levels, such as village committees and neighborhood committees, were enhanced. The municipality handled 2,486 motions and suggestions raised by the deputies of the People's Congress as well as motions raised by the CPPCC members during the year. It received more than 66,000 letters sent and visits paid by the people for petitions and handled the overwhelming majority of problems exposed in the letters and visits. To open new channels for the masses to offer advice and suggestions, we established an office for soliciting the people's suggestions, and many suggestions were adopted. The policies of the party and the state with regard to nationalities and religious work were implemented further, and the work concerning Overseas Chinese affairs and Taiwan affairs was conducted positively, thus promoting the capital's stability and unity as well as reform, opening up, and economic construction. We drafted seven laws and formulated 46 regulations and 34 administrative and law enforcement plans in the year, and all key targets were attained. We steadily lowered the number of deaths from the six kinds of abnormal death, which need to be controlled, and, in particular, reduced the number of deaths caused by traffic accidents for the past six years despite the sustained increase in cars and population. We strengthened the comprehensive control of public security and continuously waged the special struggle against serious economic and criminal offenses and against pornography, thus yielding relatively obvious results. Focusing on opposing corruption, correcting the unhealthy trends in trades, correcting malpractice in housing distribution, and eliminating arbitrary collection of service charges, fines, and financial levies, we further strengthened the building of a clean government and sternly punished a number of corrupt elements, thus yielding good results on that stage.

**(5) A New Pace Was Initiated in Reform.**

Thanks to endeavors in the past three years, the major tasks for improving the economic environment and rectifying the economic order were basically accomplished. In combination with economic improvement and rectification, we continued to vigorously promote reform in line with the reality of Beijing. In the countryside, we consolidated and developed diverse forms of the

output-related contract responsibility system and expanded the appropriate-scale economy characterized by collective management and the practice of basing remunerations on the output of households and laborers. We made relatively large progress in perfecting the dual management system combining the household contract responsibility system with collective management, in developing the collectivized service system, and in strengthening the collective economy. In the field of enterprise reform, we conducted the activity of emulating the Shoudu Iron and Steel Complex. In particular, after the conference on the work of the CPC Central Committee, the municipal party committee and government formulated 15 policies on invigorating large and medium-sized state-run enterprises in line with the reality of Beijing and explored diverse forms of reform, with a focus on changing enterprises' operational mechanisms, in the course of improving enterprises' external environment. With regard to enterprise reform, the comprehensive economic management departments further delegated planning and management powers to enterprises, reduced the scale of mandatory planning, and expanded the scale of market regulation. We readjusted the prices of some means of production and some agricultural and sideline products one after another and, in particular, readjusted the prices of rationed grain and edible oil and some service charges which had remained unchanged for 25 years. This played a positive role in rationalizing price relations and promoting the development of production. Housing system reform was carried out by various districts, counties, and bureaus based on their respective policy decisions in line with the principles and guidelines of the State Council. After four years' pilot work, many forms of housing reform were created, and ideas compatible with the characteristics of the capital were basically formed. Scientific research academies and institutes comprehensively carried out the second-stage contract management responsibility system known as "three guarantees and one linking-up," persisted in optimum organization, and adopted diverse forms to positively open new ways of combining scientific research with production. In the course of further reforming the internal management system of primary and middle schools, we improved remunerations; changed mechanisms; smashed the "iron rice bowl, iron wages, and iron armchair [guaranteed rank];" and carried out reform of the internal management system with the aim of improving efficiency among the secondary specialized schools and the institutions of higher learning run by the municipality, thus mobilizing the initiative of the vast numbers of teaching and administrative staff. Initial results were achieved in overall educational reform in the rural areas. Varying degrees of progress were also made in reforms in the fields of culture, public health, sports, and social security.

(6) A New Situation was Created in Opening to the Outside World.

With subsidies abolished, foreign trade enterprises began to institute new mechanisms for independent management and responsibility for their own profits and losses.

In the year, \$1.368 billion was earned, up 3.7 percent from the preceding year. The pace of bringing in foreign capital was greatly quickened. In the year, 724 foreign-funded enterprises of the three types were approved, exceeding the total number in the Seventh Five-Year Plan period, and the volume of foreign capital agreed on totaled \$285 million, up 1.4 times from the preceding year. Most of the three types of foreign-funded enterprises which had already opened business achieved fairly good economic efficiency. Transactions of technology import totaled \$380 million, thus putting an end to the decline which had lasted for nearly five years. The transactions of the contracts for projects and labor service cooperation abroad, the business volume, and the number of the personnel sent abroad doubled and redoubled as compared with the preceding year. Fifteen overseas enterprises were built, marking the largest number in many years. Tourism was rapidly restored and developed. In the year, we received 1.32 million overseas tourists and earned \$850 million, up 9.7 and 26.9 percent, respectively, from 1988 in which the best records were registered. Exchanges and friendly cooperation with foreign countries were further expanded. The Beijing Municipality's official application for hosting the Olympic Games in 2000, which was submitted to the International Olympic Committee, was strongly supported by the State Council and the China Olympic Committee. The application, the first submitted by the Chinese nation in the 100-year history of the Olympics, evoked tremendous repercussions at home and abroad.

Achievements in the various undertakings of the capital showed that in the entire historical process of socialist modernization, we should unswervingly and comprehensively implement the party's basic line consisting of "one central task and two basic points". Taking economic construction as the central task means to put the emancipation and development of productive forces in the first place in order to resolve the major contradiction between the people's ever growing material and cultural needs and the backward social production; and to make all our work subject to and serve economic construction—the central task—and never deviate from it, still less intervene in it. Only when the economy is developed, the overall national strength is enhanced, and people's living standards are improved can the socialist system display its superiority and become convincing. The four cardinal principles are the foundation for building the country and the basic guarantee for socialist modernization, and at no time should they be shaken. We should remain highly vigilant against peaceful evolution and the bourgeois liberation which negates the four cardinal principles. Reform and opening up constitute the road to the strength of the country and the prosperity of the capital. Only when we persist in reform and opening up can social productive forces be continuously emancipated and developed.

Achievements in the various undertakings of the capital showed that in every step we make, we should always adhere to the ideological line of emancipating the mind,

**seeking truth from facts, proceeding from reality in doing everything, and practice being the only criteria for testing truth.** Early last year, the municipal government put forward the call for "emancipating the mind, pioneering new ways with all-out efforts, and striving to make the year's work more successful" to counter some cadres' slackened efforts and fear to continuously aim at still higher goals, which have been emerging since we successfully held the Asian Games, as well as the numerous manifestations of the cadres' inadequate work in emancipating the mind. All fronts summarized their experiences to find out where they lagged behind and worked out methods and measures to solve problems, thus promoting the work in various fields. Positive and negative experiences made us thoroughly understand that the work to emancipate the mind should last through the entire process of building socialism with Chinese characteristics and that only by emancipating the mind can we break with the shackles of idealism and metaphysics and proceed from reality to bravely conduct experiments, blaze new trails, and take great steps in reform and opening up. **All work achievements of the capital showed that maintaining political and social stability is the precondition for promoting reform, opening up, and economic development.** As a political center of the whole country, Beijing has maintained the common aspiration of the party and the people. Stability not only has a vital bearing on its self-development but also has imposed a great influence on the whole country. We must maintain a stable and united political situation in the capital with the same efforts as we cherish our own eyes, strengthen democracy and the legal system, and safeguard the socialist system by relying on the people's democratic dictatorship. We should uphold the principle of simultaneously attending to two fields of work, simultaneously paying attention to the endeavor of reform and opening up and to that of dealing blows to all sorts of criminal activities; and simultaneously paying attention to the building of material civilization and the spiritual civilization. We should be tough with both. Only in this way can we smoothly advance and develop our undertakings.

**The achievements in all fields of work in the capital showed that the masses of people are the masters of the country and the real motivation for creating history. All of our policy decisions must manifest the fundamental interests and wishes of the masses of people and must win full understanding and the most extensive support from the masses of people.** We must firmly cultivate the ideology of serving the people, uphold the method of getting the opinions of the masses and referring them back to the masses, go to the reality to conduct investigation and study, be good at pooling the wisdom of the masses, do experiments in selected units first, promptly sum up experiences, uphold the truth, correct mistakes, and further make the policy decisions more democratic and scientific. Only thus can we carry out our work more effectively.

**The achievements in all fields of work in the capital also showed that in both construction and reform, we must**

**work realistically and diligently.** It is necessary to have specific demands and measures for implementing all policies and plans, to conduct investigation in the course of implementation, and to make summation after fulfilling them. Only by grasping the work with real efforts and working solidly can we realistically implement the party's basic line and all principles and policies in the places where needed, turn them into real achievements, and realize a greater leap forward in the course of transforming the objective world.

While affirming the achievements, we must recognize that there were still many problems in the government work, which mainly included the following:

First, in the emancipation of minds, there were still big gaps in many aspects. Although the municipal government put forward the demand of emancipation of mind last year and pointed out, in line with reality, the problems in 10 aspects at that time, we could not advance more boldly in a pioneering spirit in some aspects because we failed to deeply understand the ideology of building socialism with Chinese characteristics proposed by Comrade Deng Xiaoping, and, particularly, because of our failure in drawing a clear line of demarcation between "socialism" and "capitalism" from a theoretical perspective and in clearly understanding the importance of guarding against the rightist with the main attention on preventing the "leftist" in practice.

Second, the economic system was not improved, and further efforts had not yet been made to explore ways to establish an economic system and operational mechanism that combine the planned economy with market regulation. We were still far behind of the aim of changing the government functions. The failure to separate government functions from enterprise administration remained conspicuous, and the mechanism of allowing enterprises to "run independently, to assume responsibility for own profits and losses, and to develop and regulate themselves" had yet to be formed. We still need to do much work to change the internal mechanism of enterprises. Egalitarianism supported by the "iron rice bowl," "iron armchair [guaranteed rank]," and "iron wages" and the system of "eating from a big common pot" remained an important factor hindering the development of productive forces.

Third, economic structural readjustment proceeded slowly. The industrial structure, enterprise organizational structure, and product mix were still incompatible with the state industrial policy, the capital's characteristics, and market demands. The proportion of tertiary industry was only 39.2 percent in the gross domestic product, lagging far behind the developed countries of the world. Many spheres in commodity circulation and social services had the problems of having many work vacancies, poor service attitude, and low service quality. New and high-level trades developed slowly. Some large and medium-sized state-run enterprises were low in efficiency, insufficient in reserve strength, and weak in

vitality. Some of them even suffered losses for a long time. The capital's superiority in science, technology, and intellectual resources was not fully exploited, and there was still a long way to go in translating scientific and technological research results into commodities, in applying advanced techniques to renovate traditional industries and to develop new and high technology industries, and in improving the technical and professional expertise of laborers. The overall quality of the rural economy was still relatively low, the commodity economy did not fully develop, and, in particular, remote mountain areas were even more backward.

Fourth, although we did a great deal of building the urban infrastructure, the urban basic facilities still failed to meet the demands of economic and social development. A long period of endeavor is still needed to solve such problems as traffic jams, impeded communications, power shortages, and environmental pollution. In building projects, some projects were poor in quality, thus evoking strong complaints from customers.

Fifth, there was still a long way to go in administering the municipality according to laws. Quite a few problems still existed in management of public security, management of markets, and management of the planning for urban construction. The situation of refusing to enforce laws strictly and to deal with law breakers was still very serious.

Sixth, governments at all levels still engaged in, at varying degrees, formalism and bureaucratism which were divorced from reality and the masses, such as having too many staffers, meetings, documents, examinations, appraisals, ribbon-cutting ceremonies, and parties. Some cadres were lazy in thinking, were satisfied with the existing state of affairs, and refused to make progress. Some were reluctant to tackle difficulties for the masses and the grass-roots areas, shifted responsibility onto others, handled affairs in a delayed manner, and imposed pressures on the masses. Worse still, a handful of cadres abused their powers to seek personal gains, take bribes, and violate laws and discipline.

The masses of the people hear what the government says and see what the government does. For the above-mentioned problems, we will certainly make unremitting efforts to solve them and achieve practical results. At the same time, we also sincerely hope that fellow deputies will offer criticisms and suggestions to make the work in all fields an even greater success.

## II. The 1992 Tasks

Nineteen ninety-two is a year with extremely heavy tasks for building the socialist modernization as well as a year filled with hope, which urges us to forge ahead. At the moment, the international and domestic situation is extremely favorable for us. Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and his recent important speeches have aroused a strong response throughout the country and have been cordially supported by the vast numbers of cadres and the masses.

The understanding of the people of all nationalities in the whole country and in the whole municipality has been further enhanced and unified. The guidelines of the plenary session of the Political Bureau of the CPC Central Committee—such as firmly grasping the party's basic line without wavering for 100 years, seizing the opportunity to accelerate reform and opening up, and concentrating energy on beefing up the economy—and the government work report of Premier Li Peng approved at the fifth session of the seventh National People's Congress have further reinforced and inspired our resolution and confidence in forging ahead. We must further emancipate our minds, be even bolder in pioneering the road, and firmly seize the favorable opportunity to quicken the pace of reform and opening up so as to bring the national economy onto a new stage. At the moment, the municipal government, under the leadership of the State Council and the Beijing Municipal CPC Committee, is studying to formulate related programs and measures, and will put them into effect in a planned and systematic manner. This year, attention should be paid to the following several tasks.

### (1) Readjust the Structure, Increase Economic Results, Accelerate the Development of the Economy

The emphasis of economic work this year should be placed on readjusting the structure and increasing economic results. The plan demands that the gross domestic product show a 6.5 percent increase over 1991, the increased value of industry an 8.5 percent increase, the per capita productivity a 4 percent increase, the increased value of agriculture a 5.7 percent increase, the increased value of tertiary industry a 7.8 percent increase, and the total retail sales of commodities a 12 percent increase; that the increase in retail prices remain under 10 percent; that the financial revenues show a 4 percent increase; and that the per capita income of both urban and rural areas show a 2 to 3 percent increase excluding the factor of price changes. Taking into account the instable factors in economic development which have emerged because the program of improving the economic environment and rectifying the economic order was just concluded, we still left some leeway in making arrangements for economic growth this year. In implementing the arrangements, enterprises should accelerate their economic growth as much as possible and strive to surpass the plan on the premise that there are markets for their products and economic results are emphasized.

We must make efforts to orient the rural economy onto the track of high technology, high quality, and high economic results and improve the economy to a new level. Through the 10-year efforts made in reform and development, the level of rural productive forces in suburban areas has been greatly upgraded. The crucial time has come for productive forces to better adapt themselves to the development of the commodity economy and to achieve continuous development and reach a new level among intensive market competition. We should thoroughly

implement the "decision on further strengthening agriculture and rural work" adopted at the Eighth Plenary Session of the 13th CPC Central Committee. To meet the needs of the new situation, the municipality replenished and revised the principle of "serving the capital, making peasants wealthy, and building new socialist rural villages," which was formulated in the early 1980's, into one of "serving the capital, keeping the entire country in view, marching toward the world, making peasants wealthy, and building new socialist modernized rural villages". Efforts should be made to adopt powerful measures to implement the strategy of developing agriculture by applying science and technology and by promoting education. Efforts should also be made to enable the rural economy to effect a change from simply seeking high output to relying on science and technology to upgrade quality and economic results in an overall way, from a style of ensuring supply to meet the capital's demands by relying mainly on administrative measures to a style of concentrating on commodity business with markets as guidance, and from a closed or semi-closed pattern to a pattern of carrying out opening up in all directions. By taking markets as guidance, we should further readjust the internal structure of rural industries. In grain production, we should stabilize the total output, readjust the structure of grain production, upgrade the quality, and increase economic results. In nonstaple foodstuffs production, we should increase the variety of products; upgrade the level of commercialized production; and further develop the coordination among production, supply, and sales. We should regard it as an important measure to vigorously develop the intensive processing of farm and sideline products and to upgrade additional value on a large scale and should score good results from it as soon as possible. Efforts should be made to vigorously grasp commodity circulation in rural areas and to encourage and guide the rural economic cooperative organizations and peasants to join in commodity circulation. We should build, in a planned manner, a large number of comprehensive and specialized markets in charge of the wholesaling of farm and sideline products. We should continue to increase the inputs to agriculture, vigorously build water conservancy works and agricultural infrastructures, actively popularize and adopt advanced technologies, lower production cost, enhance the comprehensive capacity for agricultural production, and increase economic results. Efforts should be made to accelerate the pace of the technical renovations of township enterprises and to emphatically develop enterprises in charge of intensive processing of farm and sideline products and those turning out export commodities. The economy in mountainous areas is falling far behind, but it also has great potential. The key to developing the economy in mountainous areas lies in further changing their closed pattern and accelerating their pace of opening themselves to localities both at home and abroad. We should earnestly implement the "outline of the plan for rural villages in remote and mountainous areas to become wealthy within 10 years" approved by the municipal people's

congress Standing Committee, further relax the restrictions in the policies, and actively enforce the effective measures for urban areas and areas on the plain to help remote and mountainous areas develop the economy, so that remote and mountainous areas can change their outlook as soon as possible and narrow their gap with the plains areas. We should regard the endeavor to improve large and medium-sized state enterprises as the most important task in the focus of the municipality's economic work, pay close attention to it, and achieve success in it. Large and medium-sized state enterprises constitute the backbone force of the socialist economy and decide on the development of the entire national economy and the consolidation of the socialist system. The key to improving economic efficiency and speeding up the development rate of the entire municipality lies in improving large and medium-sized state enterprises. We should implement in a down-to-earth manner the 20 measures of the State Council and the 15 policies of the municipality for improving large and medium-sized state enterprises and strive for further improvement this year in line with the goal of "stopping the downturn this year, making further improvement next year, achieving steady improvement for three years, and reaching a fairly good level by the late Eighth Five-Year Plan period" as put forward at the work conference of the Beijing Municipal party committee last year. For this purpose, first, we should continue our great efforts in reducing deficits and increasing profits, strengthen the system of responsibility for reducing deficits, and continue to reduce the volume and range of deficits. Second, we should make great efforts to adjust the product mix based on market demand. We should strictly limit the production of oversupplied goods; encourage and support the production of undersupplied goods; make great efforts to develop new products; and create a number of highly competitive brand-name, good-quality, and new products of a high standing. Third, we should adjust the organizational structure of enterprises in line with the principle of optimizing the disposition of resources. Enterprises whose products are unsalable, whose management is chaotic, and which hold no promise of ending deficits should be resolutely closed down, merged with others, or have their production suspended or changed. Meanwhile, we should make active efforts to organize enterprise groups. Fourth, we should substantially increase the investment in the technical transformation of enterprises, actively adopt new technology and new equipment, raise the starting point of the technical transformation, and track the efficiency of the 50 key technology import and technical transformation projects and the 50 key projects. Fifth, we should learn from the Shoudu Iron and Steel Complex, manage enterprises strictly, and comprehensively strengthen the scientific management of enterprises. In particular, we should strengthen quality control to substantially improve product quality. Sixth, departments in charge of enterprises and departments in charge of overall economic management should go deep into industrial and mining enterprises, make utmost efforts to render service, and resolve the misgivings and difficulties of enterprises. All

the legal decision-making power of enterprises and the preferential policies provided to them should be carried out. While improving large and medium-sized state enterprises, we should continue to develop district, county, and neighborhood enterprises; collective enterprises; and small enterprises. All enterprises should tap potential and continue to clear up debt defaults so that economic efficiency can be notably improved this year.

**We should greatly develop the tertiary industry in service to production and people's lives and further enliven the circulation of goods.** The extent of the development of tertiary industry is an important yardstick to measure economic development and the urban modernization level. We should put the development of tertiary industry in a prominent position in the adjustment of the industrial composition and regard it as a strategy for the development of the capital. We should greatly develop the tertiary industry in service to production in line with the demand for accelerating economic development and opening to the outside world. We should strive to open up numerous channels of funds to develop monetary and insurance business; actively create favorable conditions for invigorating urban and rural real estate business; expedite the development of consulting, information, software, and leasing services and other new trades; and further expand the scope of material exchange, transportation, and post and telecommunications service to continuously enhance the overall service and influence of the capital. With the guidance of the unified plan, we should continue the principle of "pooling the efforts of the state, the collective, and the individual, establishing ties with all localities at home and abroad, developing diverse production while focusing on one trade, and allowing those who develop and take charge to gain benefits," eliminate the barriers between different localities and different departments; mobilize forces from all quarters of society; and, in particular, give play to the enthusiasm of neighborhood, township, collective, and individual enterprises for developing the trade in service to people's lives. We should encourage government departments, enterprises, and institutions to open their service facilities to the public and provide paid services. We should open the door wider, expand lateral cooperation, actively help the municipal products participate in the competition on the markets throughout the country. While actively supporting enterprises in establishing plants and opening shops in all parts of the country, we should also encourage plants and commercial units from all parts of the country to make investments and build commercial facilities in Beijing or to organize and deliver all sorts of brand-name, special, quality, and new commodities to Beijing for sales; thereby enabling the markets in the capital to realistically become "markets for buying and selling the goods from all parts of the country, markets built with investment from all parts of the country, and markets allowing traders from all parts of the country to sell their goods there." At the same time, they should be markets serving the whole world. We should accelerate the building of commercial facilities. This year we will build and put into operation 11

large and medium-sized comprehensive projects and an additional 5,000 shops. In addition to expanding the several big bustling streets that presently exist, we should also renovate and build a number of commercial streets in line with the readjustment of the plan. All districts and counties may also build commercial facilities of different distinct features in line with their own characteristics. We should actively advocate and popularize such operational forms as selling commodities without restriction, ordering goods in advance, delivering goods, and giving maintenance service to customers; and should actively open up services such as interior decorating, house cleaning, and helping people to move houses. It is necessary to fully display the advantages of the capital as a political center and a cultural old capital and strive to develop the tourist industry at a higher level and in higher quality.

(2) Strengthen Urban and Rural Planning, Construction, and Management and Further Raise the Modernity of Urban and Rural Areas.

In this year's urban and rural construction, we should pay attention to the issue of alleviating the prominent contradictions in the urban areas and the problems affecting the long-term development of the capital, continue to attach prime importance to building urban infrastructure facilities, do some practical and major work, and guarantee that the state and municipal key projects will be completed on schedule.

**In line with the urban nature and functions of the capital, we should fulfill the work to revise the "Beijing Urban Construction Overall Planning Program."** The overall plan is the basis for guiding the coordinated development of urban and rural construction in all fields. We should revise it in line with the changes in urban development after a certain period of time. The Beijing Municipal overall plan has been implemented in force since 1983. After nearly 10 years of development, the population of Beijing has topped the scale defined in the plan; the land under urban planning has already been basically allocated; and the city proper, the construction of satellite cities and towns, and the industrial structure have changed greatly. This requires efforts to revise and improve the overall plan. After soliciting opinions from various sectors, we will report this revised plan to the State Council and will put it into practice after approval.

**Continue strenuous efforts to build urban infrastructure facilities.** Infrastructure facilities such as water, electricity, gas, and heating supplies, transportation facilities, and posts and telecommunications services, are important manifestations of the development level of socialist productive forces. If we fail to give priority to developing infrastructure facilities, it will be difficult for us to push the economy to a new stage. In this connection, it would be better to grasp it earlier rather than later and to grasp it with positive efforts instead of passive efforts. In addition to doing work within our capacity, we should also try our utmost to accomplish it. This year, we will arrange a great number of major projects in line

with the plan. The subway section from Fuxingmen to Xidan will be completed and open to traffic within the year, and efforts will be made to continue to extend it to Bawangfen. We will also fulfill the Nanxiang Road project which "links Dongxiang and Xixiang Roads together," and will create a more favorable condition for economic development in the southern areas. The renovation project of the Second Ring Road will be completed within the year and will be turned into the first freeway without traffic lights in the inner city area. Continued efforts should be made to expand and improve the Third Ring Road, further develop the Fourth Ring Road, and extend the Beijing-Shijiazhuang expressway to Doudian. The construction of the western passenger railway station, the expansion of the Shoudu airport, and the Shoudu airport expressway should be initiated. The projects of the multiple-tracking pipelines diverting natural gas from Huabei Oil Field to Beijing, the third liquefied gas and oil transmission pipelines, three medium-tension coal gas pipe networks, and the main heating supply line of the Shijingshan Thermal Power Plant should be completed within the year so as to further strengthen the gas and heating supply capacity. We should accelerate the construction of the second-phase project of the No. 9 water plant, the Gaobeidian waste water treatment plant, and the Ming Tombs power station which accumulates power by means of pumping water. The construction of postal facilities should meet the need caused by developing new residential areas and rebuilding the dangerous houses, and we should strive to make "postal facilities available as soon as people move into new houses." The municipality will add new telephone switchboards with the capacity of 125,000 lines this year to further relieve the strained situation in telecommunications. Meanwhile, efforts should be made to accelerate the reform of out-dated infrastructures and to enhance the management and maintenance of existing facilities. As for the two important projects of diverting natural gas from the north areas of Shanxi province and diverting water from the south to the north, which are related to the capital's existence, a good job should be done in actively making early-stage preparations for them in line with the unified arrangement of the State Council.

**A good job should be done in carrying out urban housing construction in line with the principle of "formulating a unified plan, conducting comprehensive development, and carrying out coordinated construction".** An emphasis should be placed on successfully carrying out housing construction, particularly on the rebuilding of dangerous houses. The municipality will also arrange a large number of projects to build public utilities that can enhance the function of the capital and will serve production. In 1992, the municipality plans to start or resume the operations of building more than 20 million square meters of houses and to complete construction on more than 8 million square meters. Of the 8 million square meters of houses, the floor space of residential houses will not be lower than 5 million square meters. The reconstruction of 2.6 million square meters of old

and dangerous houses in 48 areas will be started or resumed, and 1 million square meters will be finished. Housing construction in new areas will be started or resumed, and 6.5 million square meters of houses will be built. Within the year, the municipality will solve the housing problem for all of the especially difficult households, whose housing space is less than two square meters per capita, and will actively create favorable conditions for solving the housing problem for the seriously difficult households, whose housing space is less than three square meters per capita. We should also ensure the completion of key construction projects within the given date, including the Beijing postal pivot project and the Friendship Hospital. From this year on, the emphasis of building public houses should be placed on building commercial facilities so as to establish a new pattern for commercial facilities in the capital as soon as possible, in which facilities are both concentrated in some areas and scattered in others and in which there are both key facilities and small shops. Efforts should be made to upgrade the level and quality of construction as a whole, to successfully make preparations prior to operation for all construction projects, to enhance operation management, to further upgrade the quality of construction work, and to increase the benefit of investments. Attention should be paid to conducting development in a rational way and utilizing and protecting land resources. A better job should be done in protecting historic relics in a scientific way and rationally utilizing them and in better integrating construction for modernization with the protection of the old capital's outlook.

**We should enhance the construction of the ecological environment in both urban and rural areas and improve to a new level the work of protecting, greening, beautifying, and cleaning the environment.** We should continue doing the 10 practical deeds for environmental protection and emphatically control dust, vehicle exhaust, and noise pollution. By regarding it as a target to build the municipality into a national-level advanced sanitation city, we should vigorously carry out the activities of "eliminating flies, making the city clean for the people, and striving to sponsor the Olympiad;" enhance the patriotic public health campaign and the improvement of the city's appearance and environment; and emphatically consolidate the downtown and the border areas between urban and rural districts. We should make a new breakthrough in greening and beautifying the environment, urban areas should standardize their tree and flower planting, and small districts should accelerate their pace of planting trees and improve their environmental protection and management to a new level. Suburban districts should regard forestry as a project of protecting the environment and making the mountainous areas wealthy, continuously plant trees among the waste mountains that are suitable for planting trees, upgrade the level of building shelterbelts around farmland, and further improve the environmental outlook in both urban and rural areas and improve ecological quality.

**We should realistically enhance the management over urban and rural construction.** The construction for modernization must be put under strict scientific management. In this regard, we are still in the process of exploring and accumulating experiences. In 1992, we should use emphasis to enhance management over plans, real estate, the city appearance and environment, communications, water conservation, and disaster reduction so as to enable various managerial work in both urban and rural areas to make new progress.

(3) Continue to Put the Development of Science and Technology and Education in a Prominent Strategic Position to Promote the Improvement of the Entire Quality of the Economy.

Science and technology are the primary productive forces and the decisive factors for economic development. Beijing enjoys exceptional advantages in this aspect. We should further enhance the entire society's sense of respect for science and technology, mobilize the capital's scientific and technological forces to the maximum, and increase scientific and technological investment from various channels so that more scientific and technological achievements can be transformed into productive forces.

**We should achieve success in tackling scientific and technological difficulties and applying scientific and technological achievements to promote technological progress.** Priorities for this year are as follows: First, focusing on adjusting the structure and improving efficiency, we should organize scientific and technological forces from all quarters to conduct large-scale scientific and technological development and consulting activities, and, on this basis, carry out 1,500 scientific and technological cooperation projects. Meanwhile, we should continue implementing the industrial technology development plan for the Eighth Five-Year Plan period and achieve success in the experiments of the 30 enterprises that place science and technology in the lead. Second, we should further apply science and technology to agriculture in both quality and range, combine high and new technology with conventional technology, and comprehensively implement the spark plan for the Eighth Five-Year Plan period, which includes development of 14 agricultural systems engineering projects and construction of the 10 areas where Spark Plan projects are concentrated. Third, we should tackle 50 major scientific and technological difficulties in the major areas of urban construction and management and conduct research on the building of 20 demonstration projects and 10 computer management projects. Fourth, we should continue organizing forces to disseminate and apply 1,000 major scientific and technological achievements, with the focus on the widely applicable electronic technology, advanced and practical agrotechnology, water conservation technology, and mature patent inventions.

**Continue to put the development, commercialization, industrialization, and internationalization of high technology in a prominent position.** We should further implement and improve the policies promoting the industrialization of high and new technology and greatly facilitate the "torch" plan; concentrate efforts on the construction of new technology industrial development experimental zones and accelerate the construction of the Shangdi information industrial base, the supporting facilities in the Zhongguancun district, the Yizhuang Industrial Development Zone, and the Fengtai and Changping science and technology parks; and continue efforts to make high and new technology laboratories successful. We should adopt effective measures to promote the cooperation of scientific research institutions, schools of higher learning, and new technology enterprises with large and medium-sized state enterprises and township enterprises; actively participate in international cooperation and competition; and achieve new progress in connecting high and new technology with traditional industries and transforming traditional industries with high and new technology.

**Further adjust the educational structure.** Modernization depends on personnel and the training of personnel depends on education. Education is a basic project which decides the long-term development of the capital. To meet the need in the economic and social development of the capital, we should greatly develop vocational and technical education, especially education for skilled workers and rural vocational and technical education, and should build well the 10 technical schools run by bureaus, the 30 vocational schools at the senior high school level, and the 20 secondary specialized schools in order to increase the ratio of students entering the various types of vocational and technical schools to students entering ordinary senior high schools. We should accelerate the adjustment of the institutes of higher learning. This year, we should focus on adjusting the geographical distribution, structure, and disciplines of the teacher training schools and colleges of engineering. Institutes of higher learning should gear their work to the needs of economic construction and make new headway in coordinating teaching, scientific research, and production. We should extensively improve the level of nine-year compulsory education, further develop special education, and pay attention to preschool education. The focus of adult education is to intensify the on-the-job training of the staff members and workers of large and medium-sized state enterprises and continued education which is not to be recorded as formal schooling.

**Strive to improve the quality of education.** All levels and all types of schools should persist in the socialist direction in running schools; firmly implement the principle of promoting the moral, intellectual, and physical development of the students; and optimize the educational environment within and outside the schools, with emphasis on improving educational quality. Strengthening the building of the ranks of teachers and education

management cadres is the key to improving educational quality. We should continue to adopt effective measures to mobilize excellent middle school students to enter teacher training colleges and schools. We should also expand the preparatory classes of teacher training colleges to further raise the level of formal schooling of primary and middle school teachers. Special attention should be paid to training key teachers and young teachers. We should strengthen the scientific research of education and teaching, positively promote the reform of teaching methods, and reform the system concerning students entering schools of a higher grade.

**Respect knowledge and cherish skilled people.** This is the key to the development of science, technology, and education. Intellectuals are a part of the working class and play an especially important role in the modernization drive. We should continue to improve their working and living conditions in order to better exploit their intelligence and wisdom. Heavy awards should be given to the intellectuals who make outstanding contributions. We should respect the achievements of intellectuals and actually do a good job in protecting intellectual property rights. The students who have returned from abroad have made many contributions. All the people of Beijing who are studying abroad are welcomed back to participate in the socialist modernization drive, regardless of their past political attitudes. Appropriate arrangements should be made for the jobs and livelihoods of such people.

#### (4) Freely and Boldly Explore; Quicken the Pace of Reform.

Revolution means emancipating productive forces; and so does reform. The key to promoting the capital's modernization drive lies in the deepening of reform. We must further emancipate our minds and boldly try reforms. At the same time, we should pay attention to summarizing experiences. Whatever is right should be upheld, and whatever is wrong should be corrected rapidly. Whenever new problems crop up, they should be solved rapidly. We should make an even bigger step in reform, with the focus on resolving the conspicuous contradictions existing in economic management systems and operational mechanisms which hamper the development of productive forces.

**We must change the operational mechanisms of enterprises, large and medium-sized state enterprises in particular.** This is not only the central link in the current deepening of reform but also an important measure to successfully run large and medium-sized state enterprises. We should pay attention to changing the operational mechanisms of enterprises and the functions of the government. In line with the demand for combining the planned economy with market regulation, we should define the new type of relations between the state and enterprises, push enterprises onto markets, and make enterprises truly become commodity manufacturers and dealers that are independent in management, responsible for their own profits and losses, and capable of

developing and regulating themselves. The 15-article policy on the various forms of the deepening of reform, set forth by the municipal government recently, has already been implemented among most large and medium-sized state enterprises. This work must be grasped unfailingly until practical results are achieved. In changing the operational mechanisms of enterprises, we should proceed from the optimizing labor setup to smash the "iron rice bowl, iron wages, and iron armchair [guaranteed rank]" as well as egalitarianism and the practice of eating from a common big pot, which is supported by the "three irons." At the same time, we should reform the labor, personnel, and distribution systems of enterprises and should closely combine the duties, powers, and interests of enterprises. We should draw the competition mechanism into enterprises and should attain the goal of allowing cadres to work at higher or lower levels as required, allowing staff and workers to accept or quit posts as required, and allowing wages to increase or decrease as required, so as to form a flexible operational mechanism. On the basis of persisting in a dynamic optimum labor setup, we should further expand the experiment on the all-worker contract system, define the labor relations between enterprises and staff and workers in contractual form, gradually perfect the employment system among managerial and technical personnel, and make enterprises full of vitality and vigor by giving them not only pressure but also motivation. We should conscientiously implement the enterprise law and the provisional regulations on transforming the managerial mechanism of state-owned industrial enterprises that will soon be promulgated by the State Council. We should perfect the enterprise leadership system, further bring into play party organizations' role as the political core, persist in and perfect the director responsibility system, wholeheartedly rely on the working class, and give full scope to the enthusiasm of the vast number of staff and workers for improving enterprises. District- and county-level state enterprises and collective enterprises of various kinds should positively reform their managerial mechanisms and promote the optimization of labor organization in line with the reform measures adopted by the state-owned large and medium-sized enterprises. Based on their characteristics of production and management, small enterprises should adopt more flexible reform measures. The private and individual sectors of the economy necessarily and beneficially supplement the socialist economy of public ownership. Now, the private and individual enterprises are not excessive. We should still encourage the development of the private and individual sectors of the economy. Simultaneously, we should strengthen the management of private and individual enterprises and have them engage in business according to the law and display an appropriate role in enlivening the capital and bringing convenience to the livelihood of the people. According to actual conditions, the enterprises with necessary conditions should positively experiment with the shareholding system.

**We should vigorously develop the market and speed up the reform of the circulation system.** It is impossible to develop the socialist commodity economy without the market. Speeding up the development of the market and perfecting the market system depend on deepening the reform of the circulation system. The focal points of the reform in this regard are as follows: First, on the basis of trial reform, we should decontrol the management, price, distribution, and employment systems of large and medium-sized retail sale enterprises. Policies on contract, leasing, integration, or amalgamation should be carried out among the small-sized retail sale enterprises where appropriate. The small number of the retail sale enterprises that are not suitable to state management can be auctioned. Second, we should reform the wholesale system and the material and commodity reserve system in order to enliven the state-owned wholesale enterprises. Under the situation in which the prices of daily industrial goods have basically been decontrolled, the wholesale enterprises should gradually change their main functions from guaranteeing markets to improving self-management and offering various kinds of paid services to production and retail outlets. Third, while improving the reform of the four major commercial enterprise groups, we should continue to develop commercial-commercial, commercial-foreign trade, industrial-commercial, and industrial-foreign trade enterprise groups. Fourth, we should firmly attend to separating the purchasing prices of farm and sideline products, particularly vegetables, from their marketing prices and to separating the parity prices of grain from its negotiated prices. Fifth, we should establish large wholesale markets for industrial goods and farm and sideline products, goods and material exchange centers, and auction markets; gradually create conditions for setting up futures trade markets; and further develop and perfect the markets for means of subsistence and means of production. Simultaneously, we should continue to develop various kinds of specialized markets, such as markets for technology, information, labor service, funds, and real estate. It is necessary to attend to market regulation, control, and management. The municipal government will gradually set up market regulation and control funds, will also continue to strengthen the establishment of the systems and regulations governing production and circulation links, and will resolutely stop all improper competition and illegal activities disturbing the market order.

**Closely in line with enterprise reform, we should comprehensively reform the planning, price, financial and tax, banking, statistic, and social security systems.** The key to conducting overall auxiliary reforms hinges on changing the government's functions for economic management and gradually applying economic levers, legal means, and necessary administrative measures to regulate and control macroeconomic management. With regard to the reform of the planning system, we should further reduce mandatory plans; adopt various forms, such as contracted purchasing, the combination of production and demand, and the organization of transregional economic

cooperation, to improve guidance plans; and gradually expand the scale of market regulation. According to the state industrial policy and the characteristics of different trades, we should expand the rights to examine and approve investment in capital construction and technological transformation and should perfect and expand the system of contract for investment on a trial basis. On the premise of controlling the overall level of prices, according to the state unified plan and in line with the actual conditions of the municipality, we should work out price regulation measures in a well-planned and systematic manner; steadily carry out the trial reform of purchasing and marketing prices of farm and sideline products; delegate to enterprises the decision-making power to fix the prices of ordinary industrial products; and positively explore macroeconomic management measures for decontrolling commodity prices. We should do a good job in preparing for the implementation of the financial dual budget system and continue to reform the financial allowance system. Continued efforts should be made to manage taxes in accordance with the law, expand the system of making taxpayers report and pay taxes to the tax units, deal strict blows to the act of evading or refusing to pay taxes, check serious cases of tax evasion, and organize tax revenue in accordance with the law. We should further expand the money market, improve the method of issuance and transfer of negotiable securities, and guide enterprises with favorable conditions to participate in the direct capital flow through the issuance of securities. It is necessary to reform the statistical target system, strengthen the appraisal of statistical target centering on economic efficiency, and enhance our ability to promptly and accurately master and forecast information. Departments in charge of enterprises should change functions; give emphasis to planning, coordinating, serving, and supervising the work of their own profession; stop all unnecessary administrative intervention; and realistically reduce the burden of enterprises. Departments dealing with comprehensive economic work and departments in charge of enterprises should take concerted action to change enterprise mechanisms, do a good job in coordinating regulation and control, and pay attention to the degree of regulation and control. The establishment of a new type of social security system is a guarantee for changing enterprise operational mechanisms and for promoting the optimization of labor organizations, and it has a direct bearing on social stability. This year we should establish an unemployment insurance fund for former workers waiting for new jobs to be shared by the governments, enterprises, and workers and should form a dual insurance system for former workers waiting for new jobs, which has participation by society and the enterprises. We should consider this as the first step of our work and make this system capable of covering one percent or more of the total staff and workers of the municipality. We should further expand the coverage of the old-age insurance fund and the scope of collecting the funds, continue to advance urban community service and the rural social security system, and do a good job in social welfare work and the work concerning old people

and the handicapped. Meanwhile, we should further deepen the reform of the free medical service management system.

**Take active and reliable steps to promote reform of the housing system.** This is a major affair affecting the national economy and the people's lives and is the key to realizing a "fairly comfortable" housing level.

The multiple ownership of houses in Beijing, the complicated relations of the departments in charge of housing, the differences in the houses in different areas have determined the necessity of making decentralized policy decisions under the guidance of the unified principle of the State Council, the diversification of the housing reform measures, and the sound basis for promoting reform. This year, after summing up the experiences in pilot units, we should comprehensively promote the reform of the housing system. The reform plan has already been submitted to the municipal people's congress Standing Committee for discussion and will be put into implementation throughout the municipality after being reported to the State Council for approval. In the course of implementation, we should extensively publicize it, listen to the opinions of the broad masses of people, and improve it with unremitting efforts.

**Deepen the reform of the rural economic system.** In line with the guidelines of the eighth plenary session of the 13th party Central Committee for rural reform, we should continue to uphold the responsibility system with the family-based output-related contract responsibility system as the main content, continue to improve the dual management system whereby unified management is combined with separate management, actively develop the rural socialized service system, gradually expand collective economic strength, and guide the peasants to march towards the road of common prosperity. The economically developed areas in the outskirts of Beijing should continue to perfect and improve the agricultural specialized contract system, which has been implemented over the past few years, and the optimal-scale farming marked by collective operation, the family-based output-related system, and the system of assigning output quotas to individual laborers; actively introduce the market regulation mechanism; promote enterprise-type management in the agricultural sector; and develop production-processing-marketing integrated service and operational entities.

**Continue to deepen reforms in the scientific, technological, and educational spheres.** In reform of the scientific and technological system, we should focus our attention on establishing and improving the system and mechanism of a new type that conform to the scientific and technological development law, coordinate with the socialist planned commodity economy, combine science and technology with the economy and make the two promote each other, further improve the contract operational system of "three guarantees and one link-up," deepen the reform of the personnel and distribution system in scientific research institutes, and take active

and reliable steps to apply the system of open recruitment to all personnel on a trial basis. The research institutes oriented to technology development should, in line with their respective characteristics and conditions, enter various trades, enterprise groups, and enterprises to serve as their technology development centers; establish economic entities that place science and technology in the lead together with enterprises on a contract or guiding basis; undertake research and development tasks entrusted by various fields and then transfer the research findings to society on a paid basis; or develop themselves into new and high technology industrial growth centers and run new technology enterprises with their own efforts. The scientific research institutes oriented to public welfare services should positively expand their service scale and develop tertiary industry that uses their intellectual resources to strengthen their capacity for self-development. The municipal government will choose some of the best key scientific research institutes to help them maintain their highly trained scientific research contingent, scale new heights in science and technology, and accumulate reserve strength for scientific and technological as well as economic development. We should attend to the overall reform experiments of the new technology industrial development pilot zone, with the focus on the reform of the property right system, distribution system, and the system of combining planned management with market regulation. Educational structural reform should be focused on continuously deepening and perfecting the reform of the management system of schools; further consolidating the reform achievements scored by the municipal-run institutions of higher learning, secondary specialized schools, and primary and middle schools; and expanding the pilot reform of adult schools and technical schools. Overall educational reform in the rural areas should be extended gradually, and experiments should be carried out for overall educational reform in the urban areas. At the same time, we should continue to deepen reform in the fields of culture, public health, and sports.

**Positively promote the government organizational reform and make good preparations for total implementation of the government functionary system.** Whether we can change enterprises' operational mechanisms and improve the efficiency of enterprises depends, to a large extent, on the change of government functions and the improvement of government work efficiency. In line with the principle of separating the functions of government from those of enterprises and the principle of stressing streamlined administration, unification, and efficiency, governments at all levels should further change their functions, harmonize the relations between different departments, reduce their staff, streamline their administration, and improve efficiency. In accordance with the disposition of the State Council and by taking Beijing's characteristics into account, we should rapidly study and draw up programs and plans for implementing the system concerning government functionaries and should carry out experiments in it. At the same time, we should further define the bounds of

functions and duties of different government departments, freeze the staff, streamline organs, screen and dismiss above-quota personnel, and explore ways to place surplus personnel. The reform of the organs at the county and township levels should be gradually popularized ahead of others, after learning from other localities' successful experiences and based on the results of their own experiments.

**(5) Make the Best Possible Use of the Advantages of the Capital to Raise Opening Up to a New Level.**

The practice of China's modernization drive has fully proven that wherever the pace of opening up is large, the economy develops rapidly. To create an advantage comparable to that of capitalism, we must boldly draw and use as reference the achievements in all the civilizations of mankind as well as the advanced managerial and operational forms adopted by all countries in the world, including the Western developed countries. Beijing is the center of China's opening up. This unique position has decided Beijing's extremely important role in the general pattern of China's opening up. We must thoroughly discard the outmoded concept of closing the country to international exchanges and open still wider to the outside world in all directions and in diverse forms. Urban and suburban areas should make the best of the capital's comprehensive political, economic, scientific and technological, cultural, personnel, and information advantages; apply the existing preferential policies fully and successfully; and become the "window" for Beijing's opening to the outside world and the "forward position" in developing high and new technology. Plain areas in outer suburbs should fully take advantage of their vast space, abundant manpower, agricultural production conditions, fairly good ecological environment, and substantial foundation for township enterprises to become rural bases for developing the economy oriented to earning foreign exchange. Suburban counties, especially the vast remote mountainous areas, should make use of their abundant resources in farm, forestry, and animal products, minerals, and tourism, which are their favorable conditions, and coordinate with the "prosperity-achieving project of mountainous areas" to develop industrial zones with concentrated efforts, adopt more preferential policy measures, and promote development through opening up. After hard work, we should establish a new multilayered and multichannel pattern for the capital's opening to the outside world and make Beijing more attractive and influential.

**Open wider to the outside world, with the emphasis on developing the three types of foreign-funded enterprises.** Developing such enterprises enables us not only to bring in funds but also to effectively bring in technology, managerial expertise, and trained personnel and to open up both the domestic and world markets. When attention is given to this emphasis, we can get twice the results in opening to the outside world with half the effort.

Therefore, we should adhere to the principle of developing urban and rural areas simultaneously and developing large, medium-sized, and small enterprises simultaneously, and should adopt various measures to attract foreign firms to establish joint ventures, cooperative enterprises, and exclusively foreign-funded enterprises. We should actively use foreign capital to accelerate the technical transformation of traditional industries, especially those compatible with the characteristics of the capital, such as the electronic industry, auto industry, light and textile industries, food industry, and printing industry. We should fully apply the preferential policies for new technology industrial development experimental zones to attract overseas investment in developing high-tech foreign-funded enterprises of the three types and accelerate the process to commercialize, industrialize, and internationalize high and new technology. In rural areas, we should establish foreign exchange-earning agricultural development zones on a trial basis; develop more joint ventures engaged in the processing of farm, forestry, and animal products and more township industrial enterprises engaged in the three forms of import-processing and compensation trade; and enable our superior products to enter the domestic and world markets. We should strive for as many loans from foreign governments and international monetary organizations as possible to expedite construction of urban infrastructural facilities. In using foreign capital, we should correctly guide the use of the capital and use it particularly in introducing advanced technology from abroad and producing the products readily marketable and competitive in the domestic and world markets. Meanwhile, we should strengthen coordination and guidance and avoid duplicating imports.

**Adopt every possible means to increase exports.** We should adhere to and improve foreign trade enterprises' reform measures for contracted management, responsibility for their own profits and losses, diverse businesses, and the system of export and import agents; further strengthen the coordination of industry, agriculture, commerce, and technological development with foreign trade; and gradually enable foreign trade enterprises to expand business, establish enterprise groups, and become international enterprises. We should make active efforts to provide large and medium-sized state industrial enterprises with foreign trade autonomy so that they will directly participate in the competition of the world market and so that a new pattern can be established in which foreign exchange is earned through multichannel exports by specialized foreign trade companies, industry-foreign trade integrated companies, production enterprises with the autonomy for foreign trade, and the three types of foreign-funded enterprises. We should strive to open up to the world market and to raise the foreign exchange earning capacity to a new level. Meanwhile, we should make a greater stride in the contracts for projects and labor service cooperation abroad and in expanding technology exports.

**Actively work to establish enterprises overseas.** In particular, we should establish the enterprises that promote

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export to earn more foreign exchange and gain the resources in short supply, and those for technological development and service that have their own characteristics. We should encourage development of Beijing's overseas chain stores and actively support the enterprises, which have the necessary conditions, to develop transnational business.

**Make great efforts to develop the tourism industry.** In line with the promotion of the "golden year for tours", we should vigorously conduct propaganda, organize colorful tourist activities with Chinese characteristics, positively develop the production of tourist commodities, and increase the proportion of foreign exchange which is earned through the shopping and recreational activities of tourists. We should develop new tourist routes and programs, upgrade service quality, make tourist reception and service up to international standards, and strive to receive 1.45 million overseas tourists and create \$950 million in foreign exchange annually.

**Continue to develop friendly contacts with international friendly cities, large cities in the world, and neighboring countries and regions.** We should combine the work of foreign affairs, foreign economic relations and trade, and tourist departments with that of other departments and link the enthusiasm of regions with that of departments. Nationalities affairs, religion, overseas affairs, and Taiwan affairs departments, mass organizations, districts and counties, neighborhood committees, and towns and townships should bring their special characteristics and advantages into full play; positively conduct international economic, scientific and technological, and cultural exchanges and cooperation; further expand the contacts with Taiwan, Hong Kong, and Macao; and make greater contributions to the economic construction and social development of the capital.

(6) Strengthen Construction of the Socialist Spiritual Civilization and the Democratic Legal System; Consolidate and Develop the Stable and Unified Situation of the Capital.

Persisting in the principle of grasping both material and spiritual civilizations is an essential requirement for building socialism with Chinese characteristics. As the capital of socialist China, Beijing should not only go all out to promote economic construction but also stand in the forefront of safeguarding social order and social practice.

**We should deeply study the basic line of the party and further promote the improvement of the socialist spiritual civilization.** Based on their specific characteristics, all departments and units should deeply conduct education on the basic line of the party, organize the vast number of the masses to conscientiously study Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, and upgrade the awareness of enforcing the basic line of the party. We should deeply conduct education on patriotism, collectivism, and socialism among the people, particularly the youngsters. We

should strengthen the improvement of morality, particularly professional ethics. We should carry forward the spirit of respecting work, observing law and discipline, waging an arduous struggle, and being industrious and thrifty. All trades and professions should further improve their service attitude and upgrade the service quality of the capital. We should continue to launch the campaign of being civilized citizens, creating civilized units, and building a civilized city; continue to create civilized residential districts; and upgrade the level of "beautiful environment, good public order, and quality service." On the basis of achievements in conducting socialist education, the rural areas should conduct mass discussions on "studying the basic line of the party and stepping toward the target of being fairly well-off." We should strengthen the all-people national defense education and the construction of the militia and reserve forces; deeply launch various kinds of joint efforts to promote civility, of which the main contents are supporting the army and giving preferential treatment to the families of revolutionary martyrs, supporting the government and cherishing the people, and pooling the efforts of the army, policemen, and civilians to build a civilized city; and further strengthen the unity between the army and the government, between the army and the people, and between the policemen and the people.

**Enliven and develop socialist cultural, public health, and sports undertakings.** We should persist in the orientation of "serving the people and socialism" and the principle of "letting a hundred flowers bloom and a hundred schools of thought contend," carry forward the fine traditions and culture of the Chinese nation, positively assimilate the achievements of the advanced world culture, strengthen the construction of cultural facilities, and promote the development of various cultural undertakings. We should encourage the vast number of literary and art workers to go deep to the reality, work diligently, and create outstanding literary and artistic works to satisfy the varied spiritual demands of the people. The press, publication, radio broadcast, and television departments should persist in conducting propaganda with positive examples; display their role in uniting with, encouraging and educating the people; and strive to create a media environment catering to socialist modernization, reform, and opening up. It is necessary to strengthen the work on cultural relics and use the capital's rich historical and revolutionary cultural relics to deeply conduct education on patriotism among the broad masses of people. While making continued efforts to invigorate and activate mass cultural activities, we should strengthen management over the cultural markets and launch an in-depth and protracted "anti-pornography" struggle and a special struggle against illegal publications. By no means should we allow things that poison the people, pollute the society, and oppose socialism to run rampant. Social science workers should persist in taking Marxism as a guide; deeply study the theory and the practical issues on socialist modernization, reform, and opening up; and strive to make new contributions. We should accelerate the development of

public health work; strengthen disease prevention, health-care work and the building of the three-level rural medical service networks; strengthen management over medicines and supervision over public health; and raise the level of preventing and curing diseases. We should conscientiously implement the family planning regulations and more deeply and solidly carry out family planning work. This year, we should keep the whole municipality's natural population growth rate within 7 per thousand. This year is crucial for Beijing to apply to host the Olympic Games. The seventh national sports meet will also be held in our municipality next year. We should strive to do these two tasks well and use them to stimulate the development of sports and other undertakings across the municipality.

**Further promote socialist democracy, perfect the socialist legal system, and make big strides forward in turning our municipality into a city characterized by a high degree of democracy and a legal system.** Democracy and the legal system are important signs for determining the standard of civilization and development. We should act in line with Beijing's reality, draw on the city management experiences of foreign countries, and build Beijing into a city with a high degree of socialist democracy and a legal system. In making the major policy decisions for the capital's modernization and reform, we should extensively solicit opinions from the masses of people and gradually establish a democratic and scientific policy-making system and procedure. We should consciously place ourselves under the supervision of the people's congress and its Standing Committee; fully respect the CPPCC Committees, democratic parties, nonparty personages, and mass organizations; and encourage them to participate in the discussion of political affairs and the supervision of government work. Further efforts should be made to expand the contingent of special supervisors and fully develop their role. We should conscientiously handle the people's letters and visits, collect suggestions and set up the mayor's telephones, and make government work complement the people's wishes. It is also necessary to further strengthen the building of grassroots mass autonomous organizations and to fully display their role in managing social public affairs. We should continue to conscientiously implement the party and state policies on nationalities and religious work, successfully carry out the work concerning Overseas Chinese affairs and Taiwan affairs, and strive to create a political situation of unity, progress, and harmony. Running the city in accordance with the law is a specific manifestation of strengthening the socialist legal system. This year, in carrying out the government's legislative work, we should shift the emphasis to law enforcement inspection on the basis of the 50 administrative and legislative tasks being fulfilled; pay close attention to administrative law enforcement and supervision work; and resolutely check the phenomenon in which laws are not observed, law enforcement is not strict, and law violators are not punished. We should further reinforce the law enforcement ranks, enhance the quality of law enforcement personnel, adopt various forms to

strengthen publicity and education on the legal system, and enhance the law consciousness of the citizens. This year, we should place emphasis on conducting education on the Constitution among all the people and should organize cadres to study the two books concerning the "speeches on the Constitution of the PRC," and the "speeches on the basic issue of building the socialist legal system."

**Exert great efforts to comprehensively improve public security and ensure the social stability of the capital.** We should pay attention to economic construction, reform, and opening up on the one hand and crack down on various criminal activities on the other to create a good social environment for reform, opening up, and accelerated economic development. Major targets of our endeavor to crack down on criminal activities are the criminals who are guilty of robbery, murder, rape, and other serious violence, especially the secret criminal gangs. We should continue to deal strict blows to prostitution, visits to prostitutes, abduction and trafficking of women and children, drug addiction and trafficking, and other criminal activities; resolutely prohibit gambling and feudal and superstitious activities; and resolutely deal blows to and prohibit the production and marketing of fake and shoddy goods. We should replenish public security and judicial forces, strengthen the mass network for crime prevention and public security improvement, and give play to the role of mass media in successfully preventing crimes. Through the concerted efforts of specialized organizations and other fields, we should create a good and stable environment for the life and work of the masses.

**Make conscientious efforts to remain honest and diligent in performing duties and continue the struggle against corruption.** This is a big issue concerning the life and death of the socialist country. Work focus for this year is to continue the resolute blows against embezzlement and bribery and the correction of unhealthy trends in some trades. Success in this work depends on education, the supervision of the masses, and, all the more, on the legal system. Corrupt elements should be resolutely punished and never be tolerated regardless of the levels of their positions. We should continue the system of making work procedures and results public for the scrutiny of the masses and the masses' crime reporting system, give full play to the role of law-enforcement departments and supervision departments, and subject governments' execution of power to the restriction of laws and systems and the supervision of the masses. Administrative law-enforcement personnel should enforce laws honestly, and those who violate the laws should be strictly punished. All government personnel, especially high-ranking leading cadres, should take the initiative in abiding by state laws, decrees, regulations, and systems and set an example in performing official duties honestly and resisting the erosion of the ideas of the exploiting class. We should go deep into the reality of life to learn about the public feeling and perform more practical work for the masses. Governments at all levels should improve

their work styles, guard against formalism, overcome bureaucracy, always be true in word and resolute in deed, and perform duties honestly to win the trust of the masses. This year is the last year for this government. With the spirit of being highly responsible to the people's causes and of providing convenience to the next government as much as possible, we will make unremitting efforts, never slacken our efforts, aim at the highest possible target when doing work, and live up to the great trust and expectations of the masses.

Deputies! The socialist modernization of the capital is developing vigorously, and the people of various nationalities throughout the municipality are full of confidence in building socialism with Chinese characteristics. Under the leadership of the CPC Central Committee with Comrade Jiang Zemin at the core, the State Council, and the Beijing Municipal CPC Committee, let us further emancipate our minds, uplift our spirits, unite all the forces that can be united, mobilize all positive factors, seize favorable opportunities, quicken the pace of reform and opening up, accelerate the development of the economy and other undertakings, comprehensively fulfill this year's tasks in high quality, lay a more solid foundation for attaining the second-step strategic objective of socialist modernization, and usher in the convocation of the 14th CPC Congress and the seventh Beijing Municipal CPC Congress with outstanding achievements!

### Hunan Government Work Report

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[Hunan Province Government Work Report delivered before the fifth session of the seventh provincial people's congress by Hunan Provincial Governor Chen Bangzhu on 21 April 1992]

[Text] Fellow deputies:

On behalf of the provincial people's government, I now submit the government work report for your examination and approval, and also for suggestions and comments from members of the provincial Chinese People's Political Consultative Conference [CPPCC] and other observers.

### Review of the Work in 1991

In 1991, the leadership and the rank and file throughout the province carried out the party's basic line in an all-around manner and made new progress in all fields by working hard with one heart.

**Economic construction made new headway.** Last year, Hunan's economic construction encountered a series of formidable difficulties: In agricultural production, we suffered floods in the north and drought in the south; and various disasters erupted simultaneously. In industrial production, we were bogged down by new and old contradictions interweaving with one another. However,

thanks to the common efforts of the cadres and people across the province, we overcame all unfavorable factors and achieved all-around economic growth. The province's GNP hit 78.4 billion yuan, up 6.6 percent over the previous year, and national income 65.6 billion yuan, up 5.9 percent.

There was a bumper harvest in agriculture. The gross agricultural output value amounted to 42.955 billion yuan, up 3.8 percent as compared with the previous year, with grain output reaching 27.3 million tonnes, cotton output 148,900 tonnes, oil-bearing crop output 842,900 tonnes, orange and tangerine output 816,700 tonnes, aquatic product output 531,600 tonnes, and the number of butchered pigs 31.2 million, all hitting all-time highs. The total output value of township and town enterprises came to 33.5 billion yuan, up 18 percent, with speed and efficiency growing simultaneously. Peasants' per-capita income was 688 yuan, increasing by 24 yuan in terms of comparable items. Fairly big achievements were also scored in comprehensive agricultural development, capital construction on farmland, afforestation, and work in support of poor areas.

Industrial production grew steadily. The 1991 gross industrial output value (including output value created by industrial enterprises at the village level and below) hit 81.127 billion yuan, 10.7 percent more than the previous year. There was an increase in the number and quantity of major industrial products. Economic efficiency improved each month beginning April. The realized profits and taxes of industrial enterprises covered by the local budget increased by 20.9 percent over the previous year. The ratio of profits to taxes for funds [zi jin li shui lu 6327 6855 0448 4451 3764] and the ratio of profits to taxes for sales income reached 8.7 and 7.7 percent respectively, increasing somewhat over the previous year. Certain progress was also made in readjusting the product mix, improving product quality, developing new products, breaking "debt chains," and "restricting production and reducing stockpiles of goods."

Fixed assets investment increased. The society-wide investment in fixed assets totaled 15.643 billion yuan, up 26 percent over the previous year. The investment pattern was readjusted, the momentum of technological transformation was increased, and a greater proportion of funds went into agriculture, energy, production of raw and semifinished materials, communications, postal and telecommunications services, and other infrastructural projects. The construction of key projects was stepped up. A total of 2.15 billion yuan was spent on 24 key projects throughout the province, creating a record in terms of annual investment amount. The Nos. 1 and 2 generating units of the Huaneng Yueyang Power Plant have been linked to the Nos. 3 and 4 generating units of the Xiadongjiang Power Plant to generate electricity. The Changde Polyamide Fiber Factory has been built and has gone into operation. The construction of the Yueyang Caprolactam Factory proceeded fairly rapidly. The section of the No. 107 cross-country highway routed

through Hunan has been completed. Fresh progress was also made in construction, geological prospecting, and mapping.

Sales in the market were on an upturn. The total volume of retail sales throughout the province amounted to 38.93 billion yuan, up 13.1 percent over the previous year. The markets in urban and rural areas were brisk. Supply and prices were stable. The 1991 general level of retail prices grew by 4.1 percent. The people's living standards continued to improve. The whole business trade, including the supply and marketing trade, got out of the red in 1991. More market facilities were built, improving the conditions for commodity circulation.

Foreign economic relations and trade were expanded. The foreign exchange earned through export topped \$1 billion, up 26.2 percent over the previous year. Imported goods were valued at \$290 million, up 110 percent. New success was chalked up in introducing funds and technologies from abroad, setting up "foreign-funded" enterprises, contracting of projects abroad, exporting labor, and tourism. To promote opening to the outside world, we held an international dragon boat festival, an international fireworks festival, an international forest protection festival, and major foreign trade fairs in 1991.

The financial situation was comparatively stable and there was an increase in revenues. In late 1991, the loan balances [dai kuan yu e 6313 2949 7411 7345] of all banking institutions across the province totaled 63.026 billion yuan, 11.236 billion yuan more than at the beginning of the year; bank savings balances amounted to 48.019 billion yuan at the end of last year, 11.023 billion yuan more than at the beginning of the year. Also last year, savings deposits of residents in urban and rural areas went up by 7.5 billion yuan. The 1991 local revenues added up to 8.05 billion yuan, showing an 8.6 percent increase over the previous year. The 1991 expenditures were 8.86 billion yuan, up 10.6 percent over the previous year.

The economic structure was improved somewhat. By carrying out the "three-three-five-five" structural efficiency project [jie gou xiao yi gong cheng 4814 2845 2400 4135 1562 4453], we succeeded in increasing the proportions of the secondary and tertiary industries' output values in the GNP by 0.4 and 1 percent respectively over the previous year, the proportion of the diversified economy's output value in the gross agricultural output value by 1 percent, the proportion of rural enterprises' output value in the gross rural social output value by 1.6 percent, and the proportion of the gross export value in the GNP by 1.1 percent.

The campaign to revitalize Hunan through promotion of scientific and technological progress and expansion of education made some headway. Last year, a total of 1,500 achievements in natural scientific research were organized, of which 19 received state-level awards, 286 received province-level scientific and technological progress awards, and 1,174 were granted patent rights.

Twenty major breakthroughs were made in tackling key problems in scientific research and production. More achievements in scientific and technological research were disseminated and applied. A total of 814 township and town agriculture-science-education centers have been set up in rural areas throughout the province. The construction of the Changsha New and High-Tech Industrial Development Zone was hastened and 43 new and high-tech enterprises have been moved into the Yuelu Shan Science and Technology Garden. In 1991, we comprehensively carried out the party's education policy, continued to gear education to economic construction, and actively readjusted the educational structure, all playing an important role in training qualified personnel and improving the quality of the work force.

**The economic structural reform continued to move ahead.** Rural reforms were deepened. The contracted managerial responsibility system for enterprises was improved, as was the external environment for enterprises. Enterprises made new progress in transforming their operational mechanism. Some state-run or cooperative-run commercial enterprises tried "openness" in management, pricing, employment, and distribution. Foreign trade enterprises have been allowed to make management decisions on their own and become responsible for their own profits and losses, scoring marked achievements. We adopted a number of new measures for price reform in accordance with the state council's overall planning and Hunan's actual conditions, gradually increased the number of experimental units for housing reform, and continued to push forward the reforms in the old-age insurance, employment-awaiting insurance, and medical care systems. The experiments with comprehensive county-level reforms, separation of taxes and profits, and the shareholding system were carried out vigorously and prudently. The Xiangnan, Huaihua, and Loudi experimental zones have made new achievements and gained new experiences in reform, development, and opening up to the outside world.

**We scored new success in promoting cultural and ideological progress and various social undertakings.** Ideological and political work continued to be improved. The socialist ideological education was carried out in depth in urban and rural areas and various activities to boost spiritual civilization, such as that to create culturally advanced units, were organized on a wider scale with the result that cadres and the masses strengthened their faith in socialism and the general mood of society took a turn for the better. Cultural undertakings such as the press, publishing, broadcasting, film and television, public health, sports, and archives were further developed. Remarkable success was achieved in controlling population growth. The province-wide birth rate fell to 20.5 per thousand last year from 23.9 per thousand the previous year, with the birth of 190,000 babies being prevented. This is the first time in the last eight years Hunan has succeeded in controlling population growth as required by the related annual plan.

**Democracy and the legal system were further strengthened.** Governments at all levels conscientiously implemented the resolutions and decisions made by the provincial people's congress and its standing committee and made great efforts to draw the local CPPCC's, democratic parties, associations of industry and commerce, nonparty personages, and the mass organizations into participation in the discussion and administration of state affairs. Democratic supervision has been gradually regularized and institutionalized. The governments at all levels further strengthened the legal system. All localities enthusiastically supported ethnic areas in their efforts to develop the economy and promote social undertakings, thus stimulating nationality unity and progress. The "second five-year plan" for making legal knowledge common among all citizens was carried out without a hitch. All facets of public security were further improved. By cracking down on serious economic crimes and criminal offenses, carrying out exclusive struggles against particular crimes, and concentrating on solving problems about which people complained most, we succeeded in improving public security and social order and in further solidifying the political situation of stability and unity.

All localities carried out in-depth education in national defense and launched the two-support drive to further enhance the people's awareness of the importance of defense and to strengthen the unity between the Army on the one hand and the people and the government on the other. The People's Liberation Army units stationed in Hunan, the Armed Police, and the broad masses of militia, while developing themselves, vigorously supported and joined in local people's struggles against floods and drought and drove to promote material and spiritual civilization, making important contributions.

The main reason for last year's comparatively good results scored in economic construction and other undertakings in spite of numerous difficulties was that under the leadership of the CPC Central Committee, State Council, and provincial party committee, we comprehensively carried out the party's basic line; further focused on economic construction, the central task; persisted in promoting the work in all fields through reform and opening and in promoting stability through development; and paid "equal attention" to both material civilization and culture and ethics.

If we evaluate our work performance last year from the economic angle, the comparatively big achievements we made and comparatively profound knowledge we gained last year are as follows:

**1. We acquired a clearer understanding of the guiding ideology for economic construction.** Last year we drew up and deliberated on the province's 10-Year Program and Eighth Five-Year Plan. In this process, we earnestly analyzed Hunan's actual conditions and the previous 10 years' positive and negative experiences; further clarified the principles for economic construction; defined the strategy of structural efficiency [jie gou xiao yi zhan lue

4814 2845 2400 4135 2069 3970], which is specifically referred to as the "three-three-five-five" structural efficiency project; and made it clear that to hasten Hunan's economic construction we must focus on improving efficiency and follow the path of "one readjustment and two improvements" (readjustment of the economic structure and improvements of the economic quality and of economic efficiency). This played an important role in enabling all departments at all levels throughout the province to be united in their thinking and in straightening out the ideological guidance for economic construction.

**2. The joint forces for promoting economic development were further strengthened.** In 1991, departments at all levels throughout the province concentrated their energy on economic construction and worked hard for economic development. In other words, the strength of all sectors was further drawn on to boost economic development. In the struggle against natural disasters, all walks of life, including Army units, cooperated closely and fought bravely in unity, thus winning a victory in the struggle. In the overall campaign to boost industrial production, all levels of departments organized over 1,000 service teams to "support, help, and encourage" enterprises, making contributions in helping enterprises to overcome difficulties and to strengthen themselves.

**3. Macroscopic regulation and control was improved.** In carrying on economic work last year, we made concentrated efforts to strengthen macroscopic regulation and control and focused on the matters which concerned overall interests. To solve a number of key problems and outstanding contradictions, we adopted timely measures to exercise macroscopic regulation and control. In particular, we tried to solve the contradictions and difficulties through deepening reform. For industry, we formulated the "11 Articles" and the "13 Articles" for the purpose of enlivening enterprises and improving their management. For agriculture, we drew up plans and policies for developing a diversified economy and made the decision to step up the development of township and town enterprises. For circulation, we promulgated a number of policies and measures for enlivening circulation by lifting restrictions. For science and technology, we made a decision to revitalize Hunan through the application of science and technology and further improved related policies. All these served to improve the economic environment and strengthen economic vitality.

Fellow deputies: While fully reaffirming last year's achievements, we must be soberly aware of many existing difficulties and problems that must not be overlooked. Among them outstanding ones are: The peasants have only added a little to their income while carrying an excessive burden; some industrial and commercial enterprises that performed poorly in the past have remained unchanged and continue to incur losses; readjustment of the economic structure is progressing too slowly—the inventory structure, in particular, has not been greatly improved; and our budget has remained

in the red for several years on end, resulting in greater financial difficulties. In addition, ideological and political work still fails to meet the needs of the new situation, and there are still quite a number of problems with public security and the general mood of society. All these problems show that we have failed to liberate our minds to a sufficient extent, to take bold steps in reform and opening, and to adopt effective measures in our work. Of course, many of these problems are long-accumulated ones, the solution to which calls for a difficult process. We must make vigorous efforts to accelerate the process and constantly stimulate the work in all fields.

### Main Tasks for 1992

The year 1992 will see a normal and comprehensive development of the national economy. We now have the requisite domestic conditions and a favorable international situation. Comrade Deng Xiaoping, who stands high and sees far and is good at judging the hour and sizing up the situation, has called on the whole party and the people of the whole country to seize the current favorable opportunity to expedite reform and opening and make concentrated efforts to make the economy a success. The CPC Central Committee Political Bureau has made policy decisions on a number of major problems concerning China's reform and development, as has the Fifth Session of the Seventh National People's Congress. The decisions have greatly increased the confidence of cadres and the masses. A situation in which all localities compete against each other in developing the economy prevails throughout the country. The people of the whole province also display greater-than-ever enthusiasm for revitalizing Hunan. The situation is gratifying and is spurring us on. This is an excellent opportunity as well as a formidable challenge for us. Opportunity knocks but once and time and tide wait for no man. We must embrace the present opportunity and take action to expedite reform and development. Cadres at all levels must conscientiously study the important speeches made by Comrade Deng Xiaoping during his south China tour to comprehensively and profoundly grasp the essence; arrive at a clear understanding of the situation; seek unity of thinking; enhance their sense of mission and responsibility; correctly guide, protect, and give play to the masses' enthusiasm; and lose no time in raising Hunan's reform, opening, and economic construction to a new stage, thus opening up new prospects and raising Hunan's economy to a higher level.

The general guiding principles for our work throughout the province in 1992 are: Comprehensively carry out the party's basic line, seize the favorable opportunity to expedite reform and opening and economic development, vigorously spur cultural and ideological progress, and work hard to solidify and develop the political situation of stability and unity. In our economic work in 1992 we should focus on readjusting the economic structure and on enhancing economic performance. According to the plan for 1992, the gross national product is to increase by 6.2 percent and national income by 5 percent. While maintaining economic

growth, we should work hard to ensure that the peasants will increase their incomes, industry will raise its efficiency, and the strain on financial resources will be eased.

The key to meeting the above demands and attaining the above goals is that we must resolutely, accurately, and comprehensively carry out the party's basic line of "making economic development our central task while adhering to the four cardinal principles and persevering in reform and opening up." This line conforms to the popular will and is rooted in the hearts of the people, so we must persevere in it for a long time to come. We shall not waver in this respect for a hundred years. In practical work, we must bear in mind the following points:

—Further emancipate our minds and expedite reform and opening. Reform and opening are indispensable for liberating and developing the social productive forces. Thanks to reform and the open policy in the last decade and more, great changes have taken place in Hunan's social and economic development. We lag behind advanced coastal provinces and cities mainly in reform and opening, which we must also basically rely upon for accelerated development. The key to expediting reform and opening lies in further emancipating our minds. It is necessary to conscientiously hold mass discussions about further emancipating the mind among leading cadres at the county level and above so that they will, through applying theory to practice and analyzing positive and negative experiences, free their minds from the force of habit and subjective prejudices; do away with ideologies such as preferring being 'left' to being right, being afraid to take risks, and other concepts, which affect reform and opening and our efforts to develop a socialist commodity economy; seek truth from facts; dare to blaze new trails; and make great progress in reform and opening. We must guard against rightism and mainly "leftism." Rather than "waiting for instructions" or "relying upon support from the higher authorities," we must press ahead with those things which help develop the productive forces of our socialist society, increase our country's overall strength, and raise the people's living standards. We should not hesitate to draw on and assimilate the advanced technology and any advanced methods of operation or management techniques of other countries as well as successful experiences created by coastal open areas. We must dare to explore new ways and blaze new trails in light of our own actual conditions. All departments and all quarters must think in compliance with the criterion for judging the success of reform and the open policy—anything "favorable to us in three respects" is surnamed socialist, use this criterion to guide our actions, strengthen cooperation, prepare the public for reform and opening, and protect and serve reform and opening. In particular, they should enthusiastically support new things which emerge in the course of reform and opening, and protect and support those who apply themselves to reform and opening up new

prospects so as to create a better environment for Hunan's reform and opening.

**—Expedite economic development in accordance with the principle of readjusting the economic structure and raising economic efficiency.** The fundamental tasks of socialism are to liberate and develop the productive forces and constantly improve the people's living standards. Only by making the economy a success can we effectively guard against peaceful evolution and consolidate and develop the socialist system. We must keep an unyielding grip on the central task of economic development, further get rid of all factors which dissipate our energy and interfere with our central task, and form a pool of forces necessary for advancing economic construction. As the socialist modernization drive has entered a crucial period and the foundation and conditions for accelerated economic development are available to us, the leadership and the rank and file across the province must foster lofty ideals, set high goals, and double our efforts to achieve at an early date an economic growth rate which will be at the average national level or a little higher and to attain the second-step strategic goal one year ahead of schedule or earlier. We did not set the economic growth rate for this year as high as we might have, because we wanted to allow for unforeseen contingencies. Nevertheless, in implementing the plan, we should do our best to achieve a higher rate in areas where conditions permit. Naturally, we in no way encourage our cadres to seek an impractically high speed, but rather we hope our cadres will do their work in a down-to-earth manner, emphasize practical results, refrain from being aroused to precipitate action, and guard against rashness. Leaders at all levels in particular should keep a cool head, be good at guiding the people's enthusiasm, and combine the enterprising spirit characterized by daring to think and act with the scientific approach of seeking truth from facts. We should work to connect growth rate to economic results, continue to advance along the path of "one readjustment and two improvements"—a path charted by our practice, resolutely shift the focus of economic work to readjusting the economic structure and improving economic performance, turn to scientific and technological progress and enhancement of the quality of the work force for economic growth, and vigorously stimulate the process of the "three-three-five-five" strategic project for structural efficiency so as to push forward Hunan's economy in a better and quicker way.

**—Do two types of work at the same time better, attaching equal importance to both.** Throughout reform and opening, we must always adhere to the four cardinal principles, vigorously promote ethical progress, take a clear-cut stand in opposing bourgeois liberalization, crack down on criminal activity of all kinds, and work hard to eliminate social evils so as to maintain long-term social and political stability and provide a prerequisite and guarantee for reform and opening and economic development.

#### I. Work hard to open up new prospects for agricultural production and rural work

In this year's rural work, we should continue to carry out the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and of the third enlarged plenary session of the sixth provincial party committee and take a solid step forward in "attaining the objective of giving the peasants a fairly comfortable life by developing a type of farming that provides high yields with maximum efficiency."

Continue to deepen rural reforms. While maintaining as the main form of responsibility system the contract responsibility system on a household basis with remuneration linked to output, constantly improving the system of unified management combined with independent management, and steadily strengthening the collective sector of the economy, we should energetically develop a collectivized service system, regarding the work as a key link. We should gradually set up a collectivized service network with different levels, components, channels, and forms and with townships and villages serving as the basis and county towns as the dragon head. County and township governments should trim units and staff and change their functions in accordance with the principle of "small government, large-scale service." Some government departments in charge of economic affairs or institutions, after carrying out relevant experiments, can be turned directly into economic entities. They can also organize a number of staff members to run economic entities or engage in social service. The offices set up in townships and towns by departments under the county government must simplify administration and delegate powers to lower levels. They should serve peasants better and transfer to lower levels necessary powers so as to strengthen the townships and towns' ability to exercise unified management and coordination. It is necessary to deepen reform of the distribution of farm produce, vigorously introduce integrated agricultural-industrial-commercial and production-supply-marketing operations or joint operations, encourage and organize peasants to join in circulation, and enliven the distribution of farm produce. We must resolutely carry out the central and provincial regulations on putting a stop to the imposition of arbitrary quotas, service charges, and fines on peasants. We should take effective measures to lighten the peasants' and rural enterprises' financial burdens, and further arouse the peasants' enthusiasm for production.

Vigorously readjust the rural economic structure. Great efforts should be made to readjust the structures at three levels in light of market needs to develop a superior type of farming that provides high yields with maximum efficiency and to increase the peasants' income. 1) Readjust the structure of farm production. We should raise per-unit output, intercrop grain and cash crops, and raise the multiple-crop index to steadily increase grain production and work hard to increase the variety of grain and improve the quality of rice. It is necessary to increase the area sown to cash crops by 1 million mu

throughout the province this year. We should also optimize the variety mix and appropriately merge the plots sown to crash crops to improve economic efficiency. 2) Readjust the internal structure of agricultural production. We should develop mountain areas, aquatic production, and husbandry in a big and comprehensive way. This year we will focus on the 12 major prosperity-achieving projects concerning agriculture, forestry, animal husbandry, and fisheries and work hard to make fresh progress. 3) Readjust the setup of production in rural areas. It is necessary to develop the secondary and tertiary industries in rural areas, especially rural enterprises, in a big way; step up the transfer of rural surplus labor; expand the rural economic realm; add value to agricultural products through processing; and develop the outskirts of cities, rural market towns, and small industrial development zones. All localities and departments directly under the provincial government must enthusiastically care for and support rural enterprises in their efforts to expand themselves and continue to implement various related policies so that Hunan's rural enterprises will make greater progress this year.

Increase investment in agriculture. Further efforts should be made to promote construction of water conservancy works to raise our ability to resist natural disasters so that we will gradually prevent and control floods in the north and drought in the south. It is essential to vigorously develop agro-industry and public welfare in rural areas. While increasing funds for developing agriculture, we should also throw in science and technology and labor to a greater extent. In addition, a system which combines investment by the state, the collective, and the individual should be set up and improved. This year the provincial government will increase its investment in agriculture by 50 million yuan, and governments at other levels must also appropriately increase their financial input into agriculture. The practise of committing collectives in villages to increasing input into agriculture and encouraging peasants to increase their accumulated labor in the form of farmland and water conservancy construction should be institutionalized. It is essential to draw on experiences created by other provinces in mobilizing every sector in society to go in for water conservancy projects, forestry, and comprehensive development. All departments in all localities must do a good job in supporting poor areas, especially in supporting them through the application of science and technology. Poor areas must, in their turn, try to shake off poverty and achieve prosperity through their own efforts and through tapping their own potential.

Further integrate agriculture, science, and education. Agriculture-science-education centers should be set up in 50 percent of townships and towns throughout the province this year, and these centers must make achievements in training qualified personnel, demonstrating new techniques, spreading advanced experiences, and rendering services. They should encourage, mobilize, and organize large numbers of scientific and technological personnel to go to the countryside to train peasants,

spread the use of scientific and technological achievements in agriculture, and raise the agricultural scientific and technological level in rural areas.

Continue to promote socialist ideological education in rural areas and make earnest efforts to accomplish the three tasks set by the provincial party committee. Faith in socialism should be integrated with the efforts to build up socialism to stimulate the development of commodity economy in rural areas. All localities must carry out activities on a wide scale to encourage the peasants to "embark on the path of achieving prosperity, create households living a fairly comfortable life, and build culturally advanced villages." They should galvanize the masses into action, analyze their experience, work out plans for achieving small-scale prosperity in an all-around way, and set an example in this respect so that the masses will advance toward a fairly comfortable standard of living in unity.

II. Continue to improve industrial enterprises and key development projects. The key to expediting our province's economic development is to expedite industrial development. This year, we must use reform and opening up as the driving force to proceed vigorously with the change of operational mechanisms of enterprises and expedite the readjustment of the economic structure and technological transformation. We must make concentrated efforts to improve large and medium enterprises, and, on the other hand, we must vigorously improve and enliven county enterprises and other small enterprises so that the province's industry can better develop on the premise of improving returns.

Deepen the reform of enterprises and change their operational mechanisms: Government departments must be very determined to eliminate their unnecessary interference with the production and operations of enterprises and to really gear them to the market so that they will gradually become socialist producers and operators that operate independently, assume sole responsibility for their own profits and losses, develop on their own, and regulate themselves. It is necessary to pay attention to the implementation of the series of policies and measures put forward by the work conferences of the central and provincial party committees regarding improving enterprises, especially large and medium state-run enterprises. While continuing to improve the external environment of enterprises, we should shift the work focus to changing and improving their operational mechanisms. At present, it is necessary to conscientiously ensure that the various self-operating rights conferred on enterprises by the Enterprise Law be exercised. All regulations conflicting with the Enterprise Law should be amended. To enhance the self-operating and self-developing capabilities of enterprises, the provincial government has decided to select approximately 50 large and medium state-run enterprises for the general output contracting program; and to select a number of large and medium enterprises and adopt the same preferential policies for them as those for foreign-invested enterprises, introduce operational mechanisms of foreign-invested enterprises,

and entitle them to the import and export rights. Small enterprises, especially county-run enterprises, must vigorously employ the mechanisms of township and town enterprises and other flexible mechanisms. New enterprises should put into practice new operational mechanisms that suit the development of the socialist commodity economy. It is necessary to promote extensively the experience of Zhuzhou, pay attention to reform of enterprise labor and personnel systems, wage distribution systems, and social security systems, and gradually to institute encouraging and regulatory mechanisms by which staff and workers can be appointed and dismissed, cadres can be promoted and demoted, and wages can be raised and lowered to refresh the vitality of enterprises. It is necessary to combine the deepening of the reform of enterprises and the strengthening of their internal management; insist on running factories with strict rules; readjust and strengthen various kinds of management, especially quality management and field management; and continue to launch an extensive campaign for "the Year of Quality, Variety, and Efficiency" to upgrade enterprise management and product quality. It is necessary to strengthen enterprises' leading groups, staff, and workers; further bring into play the role of party committees as the political core; insist on and improve the factory director responsibility system; rely on the working class wholeheartedly; and properly run socialist enterprises.

Attach great importance to readjustment and technological transformation: It is necessary to seize the current favorable opportunity, together with the continued effort to break the "debt chain" and "limit production and reduce stocks," to expedite readjustment. For enterprises which have excess production capacity, whose products are seriously overstocked, and which have losses for a long time, we must resolutely close them down, suspend their operations, merge them with other enterprises, or shift their lines of production; where possible, we should take the last two courses of action rather than the first two. It is necessary to continue to organize and set up enterprise groups and promote readjustment of the organizational structure of enterprises. Enterprises must increase their product sales, vigorously develop new products, upgrade product quality, create more famous brands, and make great efforts to open up and occupy markets. Investment in capital construction must reflect the demand for readjusting the structure and ensuring the development of key projects, resolutely curb irrational duplicate projects, and use the readjustment of additional volume [zeng liang 1073 6852] to encourage the readjustment of stocks. Stepping up the technological transformation of existing enterprises is the most practical and effective means of promoting the readjustment of stocks and improving returns and quality. It is necessary to concentrate strength to transform key industries and products in a similar way with high starting points and standards. It is necessary to combine technological transformation with technology introduction and development, and to

gradually form our province's pillar industries and competitive products. During the Eighth Five-Year Plan, the province will pay attention to realizing the development and transformation of 15 to 20 competitive product series and 300 technological transformation items. All localities and all appropriate departments must appoint special personnel for jobs, institute a responsibility system for the various items, and do their best to raise outputs and returns at the earliest possible date. It is necessary to increase input into technological transformation. The province has budgeted 63 million yuan for supporting technological transformation this year. Moreover, it will issue 1 to 1.5 billion yuan of bonds and use half of the proceeds for technological transformation. Furthermore, it is necessary to appropriately use foreign exchange that is retained, vigorously absorb foreign capital, and procure as much capital as possible for technological transformation. All relevant banks and credit and investment organizations must render vigorous support to technological transformation.

Further strengthen key development projects so as to increase the stamina of industry and the development of the entire economy. This year, in addition to continuing such key projects as the Wuqiangxi power station, making caprolactam, Dayong's Zhangjajie airport, and the Zhuzhou pivotal project on the Zhejiang-Jiangxi railway, the reconstruction of the 320 State Highway, Yueyang city's Lingji foreign trade wharf, the flood-prevention and water-retention project in Dongtinghu area, and the realignment of the Xiang Jiang, our province will pay attention to the construction or preliminary stage preparatory work of the provincial post and telecommunications complex, the Chang-Shi railway, the Changtan high-grade expressway, the Shimen thermal power plant, 115,000 tons of ethylene, Dongdan's second set of chemical fertilizer equipment, the Lingjintan hydropower station, the Jiangya reservoir, the Centianhe reservoir, and the provincial broadcasting and television center. All localities and all relevant departments must take into consideration the overall situation, coordinate with one another, and ensure a sufficient supply of development funds and materials. It is necessary to strengthen the management of key development projects, amplify responsibility systems, curb waste, set strict quality requirements, and expedite the process of development.

III. Vigorously develop tertiary industry mainly by activating circulation. Circulation is an indispensable and important link in the process of reproduction in society. It is necessary to further overcome the tendency of stressing production and overlooking circulation, to further insist on the deepening of reform, and to further open and invigorate [the market].

Continue to deepen reform of the circulation system: The work focus for the year is to proceed with the "four openings [si kai fang 0934 7030 2397]" in state-run and cooperative commercial enterprises, carry out experiments with eight large state-run commercial enterprises on general input and output contracting, continue to

carry out a variety of reforms for small state-run and cooperative commercial enterprises and catering service enterprises, and encourage enterprises to change their operational mechanisms. Moreover, it is necessary to vigorously develop circulation enterprise groups.

**Vigorously cultivate and develop the market system:** It is necessary to build a number of large complex shopping malls, wholesale trade centers, and special markets; strengthen the development of urban and rural market fairs and border markets; vigorously develop the market of the means of production; experiment with the futures market; and promote the development of the money, technology, information, property, and labor service markets. It is necessary to improve basic circulation facilities and laws and regulations for the various markets, and to strengthen their supervision and management. It is necessary to vigorously encourage and support multielement and multichannel circulation, and to resolutely break division and blockade. All road checkpoints set up without the approval of the province must be removed so that goods can flow smoothly. It is necessary to continue to stabilize commodity prices, pay attention to the Vegetable Basket Project, conscientiously arrange for the purchase of agricultural and sideline products, and further promote the prosperity of markets and social stability.

Developing tertiary industry is of important significance in activating the economy, alleviating the unemployment pressure which is getting more and more salient, and promoting social stability. Moreover, it entails little investment and brings quick results. Our province's tertiary industry seriously lags behind, and its socialized service level is low. In society, many people are out of work, and, on the other hand, many jobs are not filled. We must make great efforts to change this situation, and strive to attain a higher rate of development for tertiary industry than the rate of growth of the gross national product. It is necessary to properly draw up plans and adopt encouraging policies so that urban and rural areas, and the state, collectives, and individuals can develop at the same time, and to bring into full play the initiative of all quarters for the development of tertiary industry. It is necessary to relax policies for the urban and rural collective, individual, and private economies to promote their better development. We must vigorously develop new industries while continuing to develop traditional trades and industries to enable our province's tertiary industry to gradually form social insurance, social comprehensive service, and socialist unified market systems, and to become an important industrial sector in our province's national economy.

**IV. Conscientiously strengthen financial, taxation, and banking work.** The question of finance, taxation, and banking is an important one reflecting and affecting the overall situation. Leaders at all levels must further study, familiarize themselves with, and attach importance to financial and banking work.

Units at all levels must attach great importance to finding financial sources and improving enterprise economic returns by all possible means. They should pay special attention to the question of the production and income increases of units that turn over considerable amounts of profits and taxes, and the question of reducing or curbing the losses of units that are making great losses. All trades and industries must strengthen the concepts of production and finance, vigorously support economic development, and extensively open ways of increasing and obtaining more income. It is necessary to strengthen taxation and its management, levy taxes in strict accordance with the law, and conscientiously cope with tax evasion in order to collect all the taxes that should be collected. Units and departments at all levels must firmly establish the concept of leading a thrifty life, working arduously, being thrifty, putting an end to extravagance and waste, and strictly controlling expenses and institutional purchases. It is necessary to strictly enforce financial discipline, strengthen auditing and financial supervision, and strengthen supervision of extrabudgetary funds. It is also necessary to resolutely carry out reforms to lower excessively great administrative expenses and excessive financial subsidies. It is necessary to adopt measures to enhance the financial vitality of county-level units. All county-level cities must make great efforts to broaden their sources of income and to reduce their expenditure, and do their best to maintain a balance between income and expenditure so that there will be a smaller deficit or none at all.

With regard to banking, it is necessary to continue to deepen the reform of the banking system, to make great efforts to activate available funds, to enhance the financing capability to support production and development, and to improve the returns from fund use. It is necessary to bring into full play the role of banks as levers, to continue to readjust the credit structure, and to properly dispose of overstocked goods so that part of the funds held by them can circulate. It is necessary to raise funds through a variety of channels for development purposes; to vigorously develop the fund, foreign exchange regulatory, and securities markets; to make great efforts to invigorate urban and rural credit cooperatives and other non-banking financial institutions; open up new fund-raising sources; and guide some of the consumption funds to change into production and development funds.

**V. Vigorously proceed with various supporting reforms.** This year, centering on the major problems in economic and social development, we must concentrate strength in implementing general urban reform, which emphasizes the reform of the three systems and the change of the operational mechanisms of enterprises; general rural reform, which emphasizes the establishment of a sound socialized service system; and general commercial reform, whose major contents are the "four openings." In order to ensure substantial progress in these three general reforms, governments at all levels must further change their functions and, at the same time, proceed with reforms in other aspects in a coordinated way.

**Actively experiment with the shareholding system:** By practicing the shareholding system, it is not only possible to raise funds for economic development, but it is also possible to closely link the interests of individual laborers and shareholding units with the fate of an enterprise. This effectively supervises enterprise management and promotes the change of the operational mechanisms of the enterprise and an increase of its returns. We must dispel unnecessary misgivings and increase experiments with shareholding systems through a variety of modes. State-run and collective enterprises can practice it. Individuals can purchase shares, and one enterprise can hold the shares of another enterprise. Once large development and technological transformation projects are approved, we can issue bonds or shares for them. Urban and rural areas can vigorously develop the shareholding cooperative economy to promote economic development.

**Implement the pricing reform systematically and in a planned way:** It is necessary to actively and steadily implement various pricing reforms and to gradually straighten out the price relations of commodities on the premise of maintaining the basic stability of commodity prices, in keeping with unified preparations by the State Council and in light of our province's reality.

**Further reform the planning system:** It is necessary to continue to delegate the power of examination and approval, reduce mandatory plans, enlarge the scope and proportion of market regulation, and bring into better play the role of market mechanisms in line with the principle of integrating the planned economy and market regulation, and in keeping with the objective needs of economic development.

**Continue to proceed with the reform of the social insurance system:** While continuing to improve old-age insurance, we must pay attention to the establishment and improvement of the unemployment insurance system and enlarge insurance coverage. Moreover, it is necessary to appropriately and carefully use available insurance funds so that they can increase in value and bring additional returns. It is necessary to strengthen publicity about rural insurance and enlarge its scope. It is particularly necessary to vigorously develop property insurance, and human and animal insurance, and to institute a disaster compensation system.

**Expedite the reform of the housing system:** This year, all cities and towns must slightly increase rents and vigorously proceed with new systems for new apartments. It is necessary to strengthen funds for housing reform, raise funds through a variety of channels to build houses and apartments, and expedite the construction of houses and apartments and the process of commercializing houses and apartments. Moreover, on the premise of a unified plan and policy, it is necessary to develop real estate and expedite the development and redevelopment of cities.

**Make efforts to reform the medical and health system:** In keeping with the principle that the state, collectives, and

individuals jointly and reasonably shoulder responsibilities, we will reform and improve the current public health services and labor medical insurance systems, and strengthen the management of medical treatment so that basic medical treatment can be ensured and waste can be curbed. We will pay attention to experimenting with the reform in Zhuzhou city and Yiyang county this year.

**Conscientiously and properly reform the land use system:** This year, we must thoroughly complete the screening and rectification of the urban land market, control temporary land use in the cities and towns, and lay charges for the use of land. It is necessary to vigorously and steadily implement the transfer and compensation allocation of the state land rights, and to gradually proceed with the system of compensated use of the house foundations of urban and rural residents.

**Conscientiously improve reform experiments and various kinds of experimental areas:** Continue to improve county-level comprehensive reform experiments in Huanglong, Shuangfeng, and Hengdong; further properly run the Changsha high and new technology industry development area, and the areas of Xiangnan, Huaihua, Loudi, and Yueyang's Chenglingji where experiments with reform and opening up are being made. Authorities at all levels and all departments must care for and support reform experiments and reform in experimental areas. All experimental areas and units must be more courageous, fully and properly use various policies, dare to bring forth new things and ideas, and offer experiences for the abovementioned reform.

At present, reform has entered a new stage. Many reform measures involve several aspects. They involve readjustment of the pattern of people's interests and are closely bound up with the immediate interests of the masses. We must conscientiously strengthen leadership, proceed with work courageously and carefully, pay attention to the developing public opinion and the coordination of various measures, work to better unify the understanding of all parties, enhance their tolerance, and ensure that reform can proceed smoothly.

**VI. Open wider to the outside world:** There is now a new good opportunity for opening to the outside. Everyone in the province must continue to increase the extent of openness and take larger steps in opening to the outside world in keeping with the principle of "using openness to promote development, using foreign economic relations to promote foreign trade, and using introduction of foreign things to promote transformation."

We must open up in all directions and form a new pattern of opening to the outside world: It is necessary to continue to explore channels for our province's reform and opening up, open the province's doors wider, improve openness of localities in the province, and enlarge the province's openness to other provinces and countries simultaneously. While continuing to strengthen ties and cooperation with coastal special economic zones and open cities in southern China, we

must strengthen communications with areas in the east by actively participating in the development of areas on both sides of the Chang Jiang, which is led by Pudong's development. It is also necessary to improve horizontal ties with border areas and other provinces, make efforts to enable them to help and supplement each other economically and technologically, and develop together. It is necessary to develop a wider scope of economic, technological, and trade cooperation with other countries and localities outside the province, and continuously strengthen, improve, and develop through participation in competition in the international market. Inside the province, it is necessary to further open the "two ports in the north and the south," construct "five areas and one corridor," and expedite development of the western front; that is to say, further open the experimental reform areas of Xiangnan and Yueyang city's Lingji, and develop the five cities of Yueyang, Changsha, Zhuzhou, Xiangtan, and Hengyang into a corridor of high and new technology industries, expedite the opening and development of the western Hunan's mountainous areas with the emphasis on the Huaihua experimental area, and use a larger degree of openness to promote more rapid development.

We must further expand foreign trade: This year, the province will strive to make a breakthrough of \$1.3 billion in exports. It is necessary to pay special attention to the readjustment of the export product mix, strengthen the quality assurance system for export products, and increase the export of quality and finely-processed products and high added-value products. It is necessary to adhere to the export strategy of diversifying markets, make great efforts to open up new international markets with especial attention to the markets of Southeast Asia, the Middle East, Africa, South America, various states of the CIS, and East Europe. It is necessary to vigorously set up business organizations and run enterprises abroad, and strengthen management so that they will play a role. It is necessary to continue to deepen reform of the foreign trade structure, strengthen foreign trade workers, improve foreign-trade enterprise operations and management, and improve foreign exchange returns from exports. It is necessary to pay attention to the development of export bases, vigorously improve the integration of trade with industry, agriculture, technology, and domestic trade, gradually gear productive enterprises to the international market, and support and bring along industrial and agricultural production.

Conscientiously strengthen work for foreign relations and economy: It is necessary to further strengthen the development of infrastructure, implement and perfect various policies, laws, and regulations regarding foreign countries, make great efforts to improve service quality and work efficiency, and improve tangible and intangible investment conditions. It is necessary to strive to obtain some loans from foreign governments and low-interest loans from such financial institutions as the World Bank, vigorously absorb foreign capital and advanced technology, encourage investors to jointly set

up factories with their Chinese counterparts, and transform old enterprises and combine them with new ones. For existing foreign-invested enterprises, it is necessary to improve service for them and strengthen their management so that they can obtain better returns, enlarge their influence, and strengthen their ability to influence. It is necessary to straighten out systems that involve foreigners, and further increase the powers of prefectures and cities to examine and approve the utilization of foreign capital and the establishment of foreign-invested enterprises. It is necessary to adopt preferential policies for the utilization of foreign capital to attract capital and technology from coastal areas and other developed areas to our province so people from there will set up enterprises. It is necessary both to attract from the outside and set up outside. It is necessary to make great efforts to enlarge contracting on foreign projects and labor service exports, and strengthen work for foreign affairs, tourism, and overseas Chinese. Relevant prefectures and cities must continue to pay attention to holding to the extent that they are able the "three festivals and two meetings [san jie liang hui 0005 4634 0357 2585]" and adhere to the principle of stressing practical results. They must be solemn, warm, yet ensure safety.

VII. Conscientiously implement the strategy of invigorating Hunan with science, technology, and education. Science and technology are the primary productive force. It is necessary to closely rely on science, technology, and education to develop the economy and improve returns and quality.

Work in science and technology must be further geared toward the economy. We should make good efforts to promote our present achievements. This year, it is necessary to promote 30 agricultural scientific and technological achievements, continue to pay attention to the implementation of the 100 Spark projects, and further strengthen group contracting of agricultural technology. As for industry, it is necessary to further expedite the promotion of new technology, crafts, and achievements, and step up the development of new products. It is necessary to continue to deepen the reform of the technological structure, encourage scientific and technical personnel to promote scientific and technological achievements on the first front of production, and start technical service. It is necessary to focus on coping with the key technical problems arising from our province's industrial and agricultural production, pay attention to the assimilation and absorption of imported technology, and attach importance to the research of basic sciences. It is necessary to strengthen the research and development of high and new technology, and promote the development of high-technology industries.

As for education, it is necessary to implement the party's educational principles in an all-round way and continuously upgrade education. It is necessary to attach further importance to and improve moral education, and strengthen educating students about our country's history and national and provincial conditions. It is necessary to strengthen internal management and improve the

education environment. It is necessary to continue to deepen the reform of the educational system, and conscientiously and properly reform graduation examinations for senior middle school students and the higher-education matriculation examination. It is necessary to continue to readjust the educational structure in light of economic development. We should stabilize and optimize the scale of higher education and should vigorously proceed with economic development. As for secondary education, it is necessary to vigorously develop vocational and technical education. It is necessary to expedite the popularization of nine-year compulsory education. Moreover, it is also necessary to pay attention to adult, preschool, and special education, and to encourage society to run schools. It is necessary to attach great importance to and strengthen the training of teachers, and adopt measures to improve teachers' political and professional quality.

In implementing the strategy of "invigorating Hunan with science, technology, and education," it is necessary to bring into full play the initiative and creativity of vast numbers of scientific and technical workers and educators. Authorities at all levels and all departments must continue conscientiously to implement the policy for intellectuals, boldly appoint talented people, treasure and protect them, and conscientiously help scientific and technical workers and educators solve some particular problems and difficulties, lavish rewards on scientific and technical personnel who have made outstanding contributions, and create a good environment for them so that they can use their talents and make more meritorious contributions. It is necessary to foster the fine habit of respecting knowledge and talented people, extensively launch the "Year of Respecting Teachers and Emphasizing Education" campaign, support and encourage vast numbers of scientific and technical workers and educators to make vigorous efforts and contributions to the invigoration of Hunan. It is necessary to increase inputs for the development of science, technology, and education, and enhance dedication to their development.

**VIII.** We must make great efforts to develop spiritual civilization and various social undertakings. It is necessary to further strengthen spiritual civilization. In light of the new situation and problems arising during reform and opening up, it is necessary to educate, at different levels and with different methods, the vast numbers of cadres and the masses about urban and rural socialist thought, the major content of which is the party's basic line. It is necessary to strengthen and improve ideological and political work, straighten out the people's thoughts and feelings, and bring into play the socialist initiative of cadres and the masses by enlightening and inspiring them. It is necessary to vigorously propagate heroic and exemplary figures on various fronts and their outstanding deeds, and to advocate the new habits of loving the country and collectives, striving for progress, making selfless sacrifices, and observing professional and social ethics. We need to launch various kinds of

spiritual civilization development campaigns to ensure that the task of developing spiritual civilization can be implemented in basic-level units.

It is necessary to promote the development of various social undertakings. As for work in culture, it is necessary to always adhere to the direction of serving the people and socialism, and the principle of letting a hundred flowers bloom and a hundred schools of thought contend, and to make great efforts to create some fine works that reflect the spirit of the times. It is necessary to continue to pay attention to wiping out pornography and to managing the culture market, to extensively launch mass cultural activities, and vigorously develop rural culture in particular. News publications, broadcasting, film-making, and television must reflect the new achievements and new look of the socialist modernization drive, and must play the role of unifying, encouraging, and educating the people. As regards work in social sciences, we must take into full consideration the realities of Hunan and strengthen the research of theories and practice regarding economic development and reform and opening up. As for work in medicine and health, we must emphasize medical and health care in rural areas, vigorously proceed with cooperative medical treatment, thoroughly implement primary health care, and pay attention to the prevention and cure of various infectious and contagious, endemic, and occupational diseases, especially schistosomiasis. Regarding work in sports, we must continue to upgrade contest and athletic standards while extensively launching mass sports activities.

It is necessary to further improve birth control and ensure that the population control plan for the year be completed. All localities must continue to adhere to the system by which major leading comrades personally are concerned about birth control and are totally responsible for it, continue to pursue the birth-control target management responsibility system and the "right of veto by casting one vote" for birth control. Moreover, they must enlarge the proportion of regular work, strengthen propaganda and education, help the masses resolve actual difficulties, and work to upgrade birth control work standards.

It is necessary to carefully treasure and rationally use land, and conscientiously strengthen the management of land resources and assets. It is necessary to attach importance to environmental protection, and strengthen environmental supervision, management, improvement, and services so that environmental protection and economic can develop in a coordinated way.

**IX.** We must conscientiously strengthen the development of the democratic legal system. The development of socialist democratic politics is one of the important objectives of the socialist modernization drive. It is necessary to proceed vigorously and steadily with the reform of government organizations in keeping with the principles of separating the functions of the government from those of the enterprise, changing functions,

reducing staff members and streamlining administration, and improving efficiency. Huarong county has already had experience in streamlining administrative structures and improving service. We must conscientiously sum up and vigorously promote their experience. Governments at all levels must consciously accept the supervision of the people's congresses and their standing committees, and bring into better play the roles of the Chinese People's Political Consultative Conference [CPPCC], democratic parties, the federation of industry and commerce, public figures without party affiliation, and people's organizations in political consultation and democratic supervision. It is necessary to conscientiously handle suggestions by people's congress deputies and proposals by CPPCC members, attach importance to and strengthen policy decision research and advice, and gradually institute and perfect a democratic and scientific policy-decision system and procedure. It is necessary to perfect a resident and villagers autonomy system and the enterprise democratic management system, and further activate basic-level democratic life. It is necessary to continue to implement the autonomy law for ethnic minority areas and various policies for ethnic minorities, conscientiously protect their equal rights and autonomous rights, attach importance to the training, selection, and appointment of their cadres, strengthen support for ethnic minority areas, and promote the solidarity of various nationalities and their common prosperity. It is necessary to implement the state's religious policy in an all around way and strengthen management of religious affairs in accordance with the laws.

It is necessary conscientiously to improve the law popularization program for the second half of the decade. Leaders at all levels must take the lead in studying and using laws. It is necessary to pay close attention to the drafting and formulation of relevant regional laws, regulations, rules, and to standardize documents. They must improve administrative and executive supervision mechanisms, and pay attention to administrative reconsideration, answering inquiries, and judicial and administrative work. It is necessary to adopt resolute and effective measures to strengthen unremittingly overall operations to improve social order. It is necessary to resolutely crack down on and ban pickpockets and gambling. It is necessary to resolutely punish according to laws those involved in such criminal activities as doing violence or murder, robbery, burglary, prostitution, visiting prostitutes, drug trafficking and drug abuse, and abduction and sale of women and children. It is necessary to set up a social order responsibility system to define "who is in charge and who is responsible" to really implement various measures for overall operations to improve social order. It is necessary to manage the police strictly and continuously improve public security policemen's political and professional quality. It is necessary to promptly and seriously handle various disputes and eliminate all factors of instability when there are still in the bud or in basic-level units.

The People's Liberation Army, the armed police corps, and public security police are the strong pillars of the people's democratic dictatorship. It is necessary to continue to strengthen education about national defense and develop the reserve strength for national defense; extensively launch campaigns to support the army and give preferential treatment to families of revolutionary armymen and martyrs, and to support the government and cherish the people; conscientiously arrange jobs for demobilized and retired servicemen and cadres; vigorously support troops building; and further strengthen the unity between the military and the government and between the military and the people.

X. Make great efforts to improve government work. In order to do the year's work well and ensure that various tasks and targets can be achieved smoothly, it is necessary to make great efforts to improve government work.

We must adjust to the new conditions and improve leadership: With the deepening of reform and opening up, we are faced with a series of new conditions and problems. Leaders at all levels must strengthen study. They must conscientiously study the series of propositions by Comrade Deng Xiaoping regarding building socialism with Chinese characteristics and enhance consciousness to implement thoroughly the party's basic line. It is necessary to stick to the principle of seeking truth from facts, adhere to the mass line, be good at closely integrating the central spirit with local realities, and proceed with work in a creative manner. It is necessary to systematically study problems, be good at their overall management, improve comprehensive operations, planning, and the level of overall leadership, and enhance the accuracy of various policies to avoid and reduce blindness as much as possible. It is necessary to strengthen leadership of department work, coordinate and supervise it, gradually straighten out the relations between central and local authorities, and improve the efficiency of government administration. All government components must strengthen the concept of being members of the government, foster the thinking of "overall coordination" and the concept of serving the grass roots and the masses, resolutely overcome selfish departmentalism and decentralism, improve mutual coordination and support, and ensure that government decrees are passed on smoothly. Governments at all levels and relevant departments must conscientiously sort out documents published since the economic improvement and rectification program was initiated. They must revise or cancel those that do not suit the current situation to promote reform and opening up and economic development.

We must foster honesty and unswervingly launch the anti-decadence struggle: It is necessary to understand the importance of opposing decadence and peaceful evolution and consider opposition to decadence and fostering honesty as an important task. We must continue to strengthen education about honesty and hard work; extensively launch organ campaigns for public servants, do practical things, and be honest; and vigorously

encourage honesty and hard work. In keeping with strict demands, leading cadres must accept supervision on their own initiative and be pacesetters in honesty and doing hard work. It is necessary to pursue strict administration, make great efforts to continuously correct bad practices in different trades and professions; and cope with such "hot problems" as strongly reflected by the masses, such as people using their power for personal gain; pay attention to specific problems; and launch special operations to obtain practical results. As for decadent elements that are corrupt, steal, and demand and accept bribes, we must punish them according to law and must never tolerate them. It is necessary to strengthen various systems and internal management, improve the supervision system, bring into full play the role of law-enforcement departments and supervisory organs, and encourage and support press departments and the masses to struggle against various decadent phenomena.

Further improve work styles and make real efforts to do practical work: It is necessary to start extensively educating vast numbers of cadres across the province about the goal of serving the people and that "empty talk does nothing good for the country, while practical work invigorates it," vigorously advocate a realistic, pragmatic, and practical work style, and resolutely overcome bureaucracy, formalism, and red tape so they will do things conscientiously and in a down-to-earth manner. Authorities at all levels must reduce the number of their meetings, cut down on business-oriented social activities, spend more energies to go among the grass-roots and do more practical things. At present, it is particularly necessary to cope with such important problems in reform and development as affecting the overall situation, conduct thoroughgoing investigations and studies, and come up with methods to resolve them. It is necessary to strengthen supervision and inspection, and to do the work we have decided on conscientiously, carefully, and thoroughly so that we can reap practical results.

Fellow deputies!

The tasks that we are faced with are strenuous and the burdens we are shouldering are heavy. We must rally ourselves more closely around the CPC Central Committee with Comrade Jiang Zemin at the core, open up and go forward in the spirit of striving for progress, with a stronger fighting will, and with much devotion to work, and greet the successful convening of the 14th National Party Congress with the new achievements obtained during reform and development!

#### **Shandong Government Work Report**

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[Shandong Government work report given by Shandong Province Governor Zhao Zhihao at the fifth session of the Seventh Shandong Provincial People's Congress on 7 March]

[Text] Deputies:

On behalf of the provincial People's Government, I will now give a government work report to this session for its examination and discussion and for opinions from members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC].

#### **1. Comprehensive Economic and Social Development in 1991 Created A Good Beginning for Attaining the 10-Year Program and the Eighth Five-Year Plan.**

The year 1991 was the first year of implementation of the 10-year program and the Eighth Five-Year Plan. Under the correct leadership of the party Central Committee, State Council, and the provincial party committee, the people throughout the province took economic construction as the central task, adhered to the four cardinal principles, persisted in reform and opening up, united as one in performing practical work, braved the way forward, comprehensively fulfilled the various tasks defined at the fourth session of the seventh provincial people's congress, and made a solid step in the process of attaining the second-step strategic objective.

The economic situation continued to develop in a favorable direction. All levels of the province concentrated their efforts on developing productive forces, overcame their numerous difficulties, and won notable achievements. According to initial statistics, GNP totaled 156.6 billion yuan, up 9.8 percent from the preceding year; and national income totaled 136 billion yuan, up 10.4 percent. The conditions for agricultural production were improved, and an all-round harvest was won. Grain output totaled 39.169 million tons, an all-time high; cotton output was 1.35 million tons, the best harvest since 1985; the output of oil-bearing crops was 2.33 million tons, up 9.9 percent; and forestry, animal husbandry, and fishery developed steadily. The province's agricultural output value was 76.2 billion yuan, up 12.7 percent; and the output value of township enterprises was 144.5 billion yuan, up 23 percent. Industrial production grew steadily, and efficiency rose gradually. Total industrial output value was 259.2 billion yuan, up 17.1 percent; according to sample surveys, 82.4 percent of products were up to standard in quality; and all of the industrial enterprises that exercised independent accounting increased their profits and taxes by 18.5 percent. Transportation and telecommunications were strengthened, and construction of railways, highways, harbors, and airports made new headway. The structure of investment was improved, and key construction projects yielded notable returns. The investment in technical transformation increased substantially, and the 45 key projects designated by the state and the province proceeded according to schedule. Construction of urban and rural infrastructural facilities and public facilities maintained a good developing trend, and new achievements were made in comprehensive real estate development and the construction of commercial outlets. Markets were thriving, and commodity prices were stable. The volume of commodity retail sales came to 66.1

billion yuan, up 15.8 percent; and the general retail price index rose by 4.7 percent. Revenue and expenditure maintained a balance, and urban and rural savings deposits increased. Excluding the 10.08 billion yuan of Qingdao city, the province's local revenue totaled 12.685 billion yuan, up 8.73 percent in terms of comparable standards; thus achieving a balance between revenues and expenditures for the year. The year-end balance of savings deposits and loans registered an increase of 25.3 and 21.5 percent, respectively. People's living standard continue to improve on the basis of developed production. The per capita cost of living income for urban people was 1,566 yuan, and the peasants' per capita net income was 764 yuan, up 4.7 and 9.4 percent, respectively, when allowing for price increases.

Reforms and opening up made new progress. While deepening the reform in rural areas, the province formulated a series of policies and measures to successfully boost enterprises and perfected the plant director responsibility system. Thus, the external environment and the internal mechanism of enterprises were improved. The province also actively pushed forward the establishment of lateral economic association and the merging of money losing enterprises with others, and established 29 new enterprise groups. The province also assigned the pilot work of carrying out the "four opening up" to a number of enterprises and had more than 50 counties, county-level cities, and districts conduct housing system reforms. The pilot work of conducting comprehensive reform at the county level and of reform in the retirement living insurance of old folks also scored results. The province basically straightened out the economic and trade managerial system at the provincial level, enhanced the readjustment of the export commodities mix and the construction of export commodity bases, upgraded the benefits earned from exports, and realized the loss recovery within the year. It earned \$3.83 billion of foreign exchange through exports in the year, a 10.2 percent increase over 1990; and signed contracts for 1,187 items of foreign investments and for "processing products with three materials and parts provided by foreign firms and of conducting compensatory trade", which showed a 59 percent increase over 1990 and were worth \$1.023 billion yuan, a 37 percent increase over 1990.

The social undertakings of science, technology, and education made new progress. The macro climate of gearing science and technology to economic construction and having economic construction rely on science, technology, and education was gradually formed. Scientific and technological progress in the proportion of economic increase was upgraded systematically. The province scored 2,488 important scientific and technological results, of which 158 were popularized and applied and 30 won the national prizes for scientific and technical progress. The high and new technological development zones in the five cities of Weihai, Jinan, Qingdao, Yantai, and Zaozhuang introduced more than 70 high and new technological results and developed 212 high

and new technological products. The higher educational institutions across the province had 107,000 students, the enrollment rate of school-age children reached 98.4 percent, the rate of population who enjoyed compulsory elementary education in the year reached 91.9 percent, and adult and vocational education achieved greater development. The province's natural population growth declined to 8.86 per thousand. Land management, environmental protection, and technical supervision were enhanced. The province also scored new achievements in culture, physical culture and sports, public health, foreign affairs, tourism, Overseas Chinese affairs, journalism and publication, radio and television broadcasting, social welfare, nationalities affairs, religious affairs, old folks affairs, archives, and in annals.

Political stability and unity were further consolidated and developed. While concentrating on developing the economy, we vigorously enhanced ideological and political work and extensively carried out socialist ideological education in both urban and rural areas. Thus, the mental attitudes of cadres and the masses incurred great changes. We upheld the principle of running the province in accordance with the law, earnestly enforced the "second five-year plan" of popularizing the laws, deeply conducted education on socialist democracy and legal systems, dealt strict blows to various crimes, and had social peace and order steadily achieve a turn for the better. We also actively carried out the Army-civilian campaign of mutually supporting each other and mutually building civilized units and building cities (counties) into model units of the mutual support campaign, and further consolidated the unity between the Army and the government and between the Army and the people.

Fellow deputies: According to the requirements of the party Central Committee and the State Council, we continued last year to improve the economic environment and rectify the economic order. Through efforts made over the past three years or so, the macroeconomic environment and the economic order have noticeably improved. The task of improving the economic environment and rectifying the economic order has basically been fulfilled. In short, in the past year all the people of the province united, made outstanding achievements, withstood the trials of the changing international situation, and unswervingly and steadily advanced along with the road of socialism with Chinese characteristics.

In the past year, we mainly persisted in the following few points:

First, we tried to find out where we lagged behind in line with the principle of seeking truth from facts and paid attention to straightening out the work ideologies. According to the requirements of the provincial party committee to be modest and prudent, to guard against arrogance and rashness, and to go to the places where problems exist, at the beginning of last year we conscientiously evaluated the experiences and lessons gained in the Seventh Five-Year Plan period, drew on the advanced experiences of some brotherly provinces and

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municipalities, found out the predominantly weak links in the economic and social development, and defined the basic ideologies guiding the work in the first year of the Eighth Five-Year Plan period. These basic ideologies are defined as follows: The agricultural front should be based on combating natural disasters, capturing bumper harvests, and grasping grain and cotton production, with the focus on cotton. The industrial front should maintain a proper growth rate and focus on increasing economic results. We should speed up the development of tertiary industry with the focus on enlivening the circulation sphere. We should positively expand the scale of opening to the outside world and concentrate on developing foreign trade. We should comprehensively upgrade the scientific and technological level and concentrate efforts on popularizing scientific research findings and developing high and new technologies. We should strengthen the construction of spiritual civilization and focus on conducting education on socialist ideology. Practice in the past year has shown that these ideologies are correct.

Second, we persistently linked central principles and policies with the reality of Shandong and firmly grasped the fulfillment of various tasks. According to the guidelines of the seventh and eighth plenary sessions of the 13th party Central Committees and the central work conference and in line with the actual conditions of the province, we set forth the fighting goals of the following: the provincial economic development and efficiency growth rate should be slightly higher than the national average, the provincial population natural growth rate should be slightly lower than the national average, and the overall economic quality should be elevated to a new high; as well as the requirement that the work of the next decade should be better than that of the past decade. We defined the guiding ideology of developing top-quality, low-consumption, high-yield, and high-efficiency agriculture to suit the development of the rural commodity economy; concentrated energy on enlivening enterprises; launched, in a down-to-earth manner, the campaign of fixing 1991 as the year of quality, variety, and efficiency; reformed the traditional economic assessment method; firmly attended to the readjustment of the product mix and the enterprise organizational structure; conscientiously cleared up "debt chains"; concentrated efforts on controlling the production of unsalable products and reducing the stockpiling of finished products; gradually improved the economic results of industrial enterprises; persistently attended to both production and family planning; adopted effective measures for helping the backward areas improve their work; and made a new breakthrough in family planning.

Third, we realistically improved the work style and conscientiously solved the problems with which the people have generally been concerned. The governments at various levels served as examples, further strengthened the improvement of administrative honesty, changed their functions, served the grass roots, sent a large number of cadres to handle the work of villages and enterprises on a contract basis, and helped the grass roots

solve many practical problems. We persisted in the principle of from the masses, to the masses. On the basis of continuously popularizing the typical experiences gained by Zhucheng and Laiwu, we summarized and popularized the typical experiences of Changyi, Zhangqiu, and Linqu. We adopted effective measures to correct unhealthy practices within various trades; abolished 117 arbitrary service charges, fines, and apportioned expenses; issued orders to stop activities for conducting examinations, making assessments and comparisons, attaining targets, and making promotions; and preliminarily lightened the burden of enterprises and the masses. We strengthened administrative supervision and auditing work; investigated and handled 3,871 cases of cadres violating laws and discipline, and punished 3,971 cadres, including 35 county-level cadres; and made noticeable achievements in ending the practice of administrative organs engaging in lavish wining and dining with public funds.

Fourth, we maintained unity, did solid work, and maintained a good mental state. Last year, economic work faced fairly large difficulties and many contradictions. Higher and lower levels across the province displayed the spirit of fearing no hardships and being unwilling to lag behind, advanced despite difficulties, and worked with concerted efforts. On the basis of successfully running enterprises, the provincial People's Congress worked out a special resolution on the implementation of the "enterprise law"; the provincial Advisory Commission, the provincial CPPCC Committee, and the provincial Strategy Research Committee organized people to conduct investigations and to propose many good suggestions; after the central working conference, the provincial authorities conducted investigations among 48 provincial-level departments to see how they implemented the policies and measures for deepening enterprise reform; and the provincial Discipline Inspection Commission, the provincial Court, and the provincial Procuratorate safeguarded economic development on their own initiative. When some localities were hit by exceptionally serious floods and waterlogging, the Army and people across the province manifested their high degree of socialist consciousness, came from all sides to help when one locality was in trouble, donated funds and articles enthusiastically, and helped the people in the disaster areas to eliminate worries and solve difficulties. Cadres in the disaster areas spared no effort to combat disasters, helped the people to rebuild their homes and to resume production rapidly, and made proper arrangements for their living, thereby enabling more than 100,000 people in the serious disaster areas to move into new houses.

Fifth, we persisted in simultaneously grasping commodity economy and ideological and political work and strived to maintain political and social stability. We fully displayed our political advantages; deeply conducted education on the party's basic line, socialism, patriotism, and collectivism and on the situation, democracy, the legal system, and ways to become well off; and increased

the confidence of the broad masses of cadres on building socialism with Chinese characteristics. We conducted all sorts of spiritual civilization activities, enriched the spiritual and cultural life of the masses, occupied the cultural front with socialist ideology, adopted measures to simultaneously fight against and prevent crimes and to comprehensively improve public security, dealt strict blows to all sorts of criminal offenses and economic crimes, strictly punished some criminals who were guilty of abducting and trading women and children, launched a large-scale struggle against "pornography" and the "six vices," and consolidated and developed the excellent situation.

Fellow deputies, under a situation in which we had external pressure and internal difficulties, our province still made achievements in economic and social work last year. This resulted from the selfless work and united struggle of the broad masses of workers, peasants, cadres, and intellectuals across the province. The People's Congresses and their Standing Committees at all levels provided effective supervision and active support for government work. The CPPCC Committees at all levels and various democratic parties and mass organizations actively participated in administering state affairs and offered plans and suggestions. The People's Liberation Army [PLA] and the Armed Police Force stationed in Shandong made positive contributions to our province's building of the two civilizations, reforms, and opening up. Compatriots from Hong Kong, Macao, and Taiwan, Overseas Chinese compatriots and friends from foreign countries paid close attention to and sincerely cooperated with Shandong in its construction and development. Here, let me extend my heartfelt thanks to them on behalf of the provincial people's government.

Fellow deputies, although our province made great achievements in all aspects last year, there were still many problems, which were manifested mainly in the following:

1) Our minds were not fully emancipated, and the pace of reform and opening up was not fast enough. We failed to thoroughly study the new situation and solve new problems in reform and opening up; and to adopt effective measures for changing enterprise operating mechanisms, smashing "guaranteed jobs, positions, and wages, and the big common pot," expanding the scale of using foreign capital, and bringing in technology.

2) There were many factors restricting economic development in the rural areas. The farmland and water conservancy infrastructure facilities remained weak, and hidden dangers existed in the main rivers and large and medium-sized reservoirs along the Huang-Huai-Hai river valley in particular. The rural socialized service system was imperfect; the circulation of farm products was not smooth; the problem of difficulties in buying and selling farm products was quite severe in some localities; the profits from agriculture were comparatively low; the collective economy of some localities was weak; and the burden of peasants was heavy.

3) Industrial restructuring was slow, and economic efficiency not good enough. The level in specialized, coordinated, and joint production was low, and efficiency was poor. Some products were of poor quality and lacked a competitive edge; products of high technology content and additional value, those that sold well, and those that earned a great amount of foreign exchange were few. Enterprises' managerial foundation was weak; plenty of funds were still tied up in stockpiled products and manufactured goods; the tasks to break "debt chains" remained arduous; and overt and covert deficits, caused by numerous reasons, were rather serious.

4) The development of tertiary industry was stagnant. The effort to open up markets for our commodities was not effective; the market for the essential elements of production was imperfect and uncoordinated; commercial service was poor; and transportation, telecommunications, and public facilities were unable to meet the needs of opening to the outside world and of people's lives.

5) Science and technology were not closely coordinated with the economy, and the rate of applied scientific and technological achievements remained low. Scientific and technological investment was inadequate, the means of scientific research remained rather backward, bases for intermediate experiments were few, the capacity for developing high and new technology was weak, and personnel on the forefront of production, especially rural scientific and technical personnel, were unstable. The problem of education being divorced from reality existed in varying degrees, the educational structure was not rational, and the teaching quality of some units was low.

6) Some problems that should not have been neglected still existed in the endeavor to build a clean government and in social order. Some cadres lacked a down-to-earth work style and the concept of performing government work according to law. Arbitrary collection of fares, fines, and donations; unhealthy trends in some trades; formalism; and other problems still existed. The measures to comprehensively tackle public security problems were not carried out to the letter; feudal and superstitious activities, and bad customs and habits emerged in a few localities; and the rising trend in serious criminal cases had yet to be effectively checked.

## 2. Guiding Thoughts and Major Tasks for Government Work in 1992

The year 1992 is an important one for comprehensively carrying out the second-step strategic objective of Shandong's economic and social development. Based on the guidelines of the central work conference, the eighth plenary session of the 13th party Central Committee, and the seventh plenary session of the fifth provincial party committee, the general guiding thoughts for this year's government work are to comprehensively implement the party's basic line; to build the two civilizations simultaneously; to further emancipate the mind; to

accelerate the pace of reform and opening up; to concentrate efforts on economic development; to develop science, technology, and education; to maintain political and social stability; to unite and lead the people throughout the province to march toward a fairly comfortable life wholeheartedly; and to score greater achievements in the modernization program.

The major tasks for this year's government work are as follows: 1) We should expedite economic development and focus on adjustment in the structure and improvement of efficiency. GNP is projected to grow by 7 percent, national income by 6.5 percent, agricultural output value by 3.5 percent, income from sales of industrial products by 13 percent, volume of retail sales by 13 percent, foreign exchange earning by 10 percent, and revenue by 7 percent. As some leeway was left when arranging these targets, we should strive to surpass them when carrying out the work. 2) We should strive for a new breakthrough in reform and opening up. We should transform government functions to render good service, transform enterprises' operating mechanism to enhance their vigor in development, and greatly develop the export-oriented economy. 3) We should comprehensively promote the development of science and technology, education, and other social undertakings and improve the quality of the economy as a whole. 4) We should consolidate and develop the stable and united political situation and maintain a good social order.

On work guidance, we must handle the relationship as follows:

First, we should accurately handle the relationship between speed and efficiency and accelerate the pace of development with the premise of stressing efficiency. The fundamental task of socialism is to develop productive forces. Developing countries should have development as a basis. The superiority of socialism will not be embodied without development or with slow development. To develop the economy, we should persistently link speed with efficiency. We should not only pay attention to speed and maintain a proper growth rate, but also pay attention to efficiency and increase effective supply. This point must not be changed at any time.

Second, we should accurately handle the relationship between stability and the deepening of reform and promote stability and development through reform. The development of the economy and the deepening of reform depend on political and social stability. Long-term political and social stability should ultimately rely on the deepening of reform and the development of the economy. Thus, we should firmly foster the concept of promoting stability and development with reform, grasp the current favorable opportunity to expand the scale of reform, unwaveringly deepen reform, and ensure a long period of order and stability.

Third, we should accurately handle the relationship between production development and the pioneering of the market and organize production with a market

orientation. The development of the socialist commodity economy not only depends on appropriate natural resources and processing capacity, but also relies on the market capacity and the degree of market occupation. We should persistently take the market as the orientation to organize and develop production, fundamentally change the concept of paying more attention to production but less attention to the market, put developing markets and comprehensively pioneering markets in an important strategic position, strengthen market calculation, study market changes, make scientific policy decisions, give full scope to the positive role of market regulatory mechanisms, and better serve the development of production.

Fourth, we should accurately handle the relationship between the eastern and western parts of the province and promote coordinated economic development. Both eastern and western parts of the province have their own advantages and strong points to supplement each other in economic development. Based on the work of the preceding stage, we should further unify our thinking, continue to improve the eastern areas, accelerate the development of the western areas, promote the balance between the eastern and western areas, and help them seek common wealth. By giving planned guidance and regulating their benefits, we should optimize the distribution of productive forces; promote cooperation between the eastern and western parts; appropriately give priority to the western areas in the arrangement of items, capital input, the supply of goods and materials, the distribution of skilled persons, and the exchange of cadres; and enhance the western areas' self-development capabilities.

Fifth, we should accurately handle the relationship between economic development and social development and constantly put science, technology, and education in strategic positions for first development. Economic development is the foundation for social development. Social undertakings, particularly the development of science, technology and education, directly affects the level of economic development. To realize the strategic target of "making the people rich and Shandong prosperous," we must pay great attention to improving science, technology, education, and the quality of the people; take the road of linking science with education; and make the economy and scientific, technological, educational, and cultural undertakings promote one another and coordinate their development.

Sixth, we should accurately handle the relationship between material civilization and spiritual civilization and ensure an accurate orientation for socialist modernization. Building a well-developed material civilization and developing a high degree of spiritual civilization are two major objectives for socialist modernization. None are expendable. At the time of developing the material civilization, we should constantly strengthen the improvement of the spiritual civilization; upgrade the people's ideological awareness and moral integrity; and

cultivate a new type of person with ideals, moral integrity, education, and discipline.

### 3. We Should Readjust Structure, Improve Efficiency, and Vigorously Develop Productive Forces

A. We should follow the path of developing an agriculture characterized by fine quality, low consumption, high output, and high efficiency to make the rural economy flourish in a comprehensive way. Because agriculture constitutes the state's foundation for economic development, social stability, and self-reliance, we should never neglect agriculture and rural work even when we have had several bumper harvest years; we should firmly grasp the work at all times. The central task for agriculture and rural work this year and in the foreseeable future is to develop an agriculture characterized by fine quality, low consumption, high output, and high efficiency; by aiming at becoming relatively well-off; by focusing on improving agricultural efficiency and increasing peasants' income; by depending on policies, science and technology, input, and circulation; and by simultaneously developing cropping, breeding, processing, and marketing.

Priorities for this year's work are: First, we should further readjust the rural economic structure. We should correctly handle the relations between grain and cash crops; between farming and forestry, animal husbandry, sideline production, and fishery; and between agriculture and rural industry and commerce. We should maintain a steady increase in the output of grain, cotton, and oil-bearing seeds. We should positively develop diversified management and should accelerate the development of animal husbandry, the aquatic products industry, and agriculture in earning foreign exchange in order to gradually effect a benign cycle in the three levels of rural economy. In some counties, cities, and districts, we should carry out experiments for developing an agriculture characterized by high quality, low consumption, high output, and high efficiency, and then gain experiences to guide the overall work. Second, we should enthusiastically carry out the strategy of invigorating agriculture through scientific and technological means. We should emphatically popularize and capitalize on fine varieties of crops, ecology agriculture, compound feed, and such mature technologies as processing and packaging stay-fresh agricultural products. We should continue to carry out the "spark," the "bumper harvest," and the "prairie fire" plans. We should establish and perfect rural education, scientific research and popularization, and training systems; and should strengthen education on popular science and training on practical technology among peasants. Third, we should establish and perfect an agricultural input mechanism, which consists of various levels, multiple channels, and diverse forms, to continue to improve production conditions. This year, the provincial authorities will invest an additional 50 million yuan in emphatically harnessing several major rivers and reinforcing large and medium-sized reservoirs. All localities should also try their best to increase input in this regard and should raise in full and

make good use of the already defined agricultural development fund and other funds specially earmarked for developing agriculture. We should extensively mobilize peasants to vigorously build capital water conservancy projects in order to enhance the ability to resist drought and waterlogging. We should accelerate the pace of afforestation by establishing a responsibility system at each level in order to actually fulfill this year's tasks for developing forests on barren hills and for greening cities. We should further develop the agricultural industry, increase the effective supply of the means of agricultural production, and enthusiastically promote the mechanization of agriculture. Fourth, we should constantly perfect the rural socialist service system, successfully grasp the coordination of the rural service organizations at three levels, successfully carry out experiments for standardized service, vigorously initiate service entities of all types, and enhance the service function of these entities. We should adopt feasible measures to expand the rural collective economy to lighten the overly heavy burden on peasants. Fifth, we should increase the dynamics of comprehensive agricultural development. In this regard, emphasis should be placed on transforming medium-and low-yield farmland; increasing outputs of grain, cotton, and oil-bearing seeds; developing dry farming; and developing mountain, lake, and beach areas. There is great potential in developing the Huang He delta, and the basic conditions for large-scale development of the delta are ripe. We should organize the forces in all fields to accelerate the pace of comprehensive development. We should combine agricultural development with the work of aiding the poor, and should have pertinent departments help poverty-stricken areas to cast off poverty as quickly as possible. We should take full advantage of the province's abundant marine resources and marine scientific research forces to accelerate the construction of "Shandong on the sea" by integrating the present benefits with long-term benefits. Beginning with the conventional industries of breeding and fishing, we should positively develop such rising industries as the marine chemical industry and the marine energy resources industry in order to gradually give rise to a high-output and highly efficient marine industry. This year, we should map out plans for developing the marine industry, and should put them into effect as quickly as possible.

Developing township enterprises is an important way of comprehensively invigorating the rural economy. In line with the principle of providing active support, making rational plans, giving correct guidance, and strengthening management, we should further improve policies, and promote the unceasing development and improvement of township enterprises. The eastern and central areas should readjust their structures and actively develop the export-oriented economy in line with market demands. The western areas should suit measures to local conditions, select a breakthrough point, do easy work first and then the difficult, and accelerate development. Judging from the experiences of the advanced

provinces and cities, the prospects for developing township enterprises, "joint, cooperative, and foreign-funded" enterprises, and the "three forms of import processing and compensation trade" are bright. All localities should fully display the advantage of township enterprises in having a flexible mechanism, and enable them to make big breakthroughs rapidly in the development of "joint, cooperative, and foreign-funded" enterprises and the "three forms of import processing and compensation trade." Localities where conditions permit should establish industrial communities in townships and towns in a systematic manner, and enhance their efficiency of scale and competitive ability.

B. We should readjust the industrial structure, advance technological progress, strengthen enterprise management, and promote a sustained increase in industrial production. In the readjustment of industrial structure, we should act in line with the state industrial policies; be guided by the market; readjust stockpiled products; optimize new products; adopt new technology to transform and reorganize the processing industry; continue to strengthen basic industry; improve the situation in which the structures of regional industries are similar, the enterprise organizational structure is "small and decentralized," the technology for making products is low, and the product competitiveness is weak; and gradually form an industrial pattern with high and new technological industries in the lead, potential industries as the mainstay, basic industries as the support, and a rational distribution. The readjustment of the product mix must be combined with technological progress. Beginning this year, the provincial authorities will concentrate human, financial and material resources on supporting the development of 240 "products with high technology, high additional value, large sum of foreign exchange earning, and good economic efficiency" by readjusting the technological transformation orientation; and will restrict and stop the production of 126 products that create high consumption, big deficits, and serious pollution, and without a market for a long time. In line with the rational economic principle and through reorganization, cooperation, and amalgamation, we should break the barriers between different regions, trades, and ownerships, and establish a band of strong enterprise groups. We should make up our minds to cut overlapping projects and projects aimed at expanding the production capacity of general products. The provincial authorities will concentrate 300 million yuan of funds on supporting the readjustment of the product mix and technological structure. All levels and all departments should maintain cooperation and take joint action to remarkably improve our province's industrial structure as quickly as possible.

Backward enterprise management is a prominent factor affecting economic efficiency. All enterprises should look inwardly, improve their internal organs, and seek efficiency by improving management. We should be strict in management; proceed from basic management and on-the-spot management; perfect rules and regulations; improve the restriction mechanism; and

strengthen management over operation, finance, cost, and product safety. It is necessary to enhance our consciousness of quality, strengthen management over quality, deeply conduct "quality, variety, efficiency" activities, and raise the popularity of Shandong products in the domestic and foreign markets and their market share. We should deal strict blows to the act of making and selling fake and substandard products, safeguard the interests of producers and managers in accordance with law, establish funds for ending deficits and increasing profits, support enterprises with developmental prospects, accelerate the work of ending deficits and increasing profits, realistically solve the problem of hidden deficits, have a clear picture of the problems, make up for the deficits year by year, and allow no new deficits to emerge. Continued efforts should be made to uphold and improve the plant director responsibility system. Plant directors should set the example, run their plants strictly, and have the courage to manage and to be good at management. The enterprise's party, administrative, and trade union organizations should maintain close coordination. Plant directors should respect the political core status of party organizations, pay attention to displaying the role of trade unions, and wholeheartedly rely on the working class to run their plants well; and enterprise party organizations and trade unions should actively support plant directors in grasping management well. All levels and all departments should actively support plant directors and boost their enthusiasm in running plants in accordance with law and in strengthening management.

C. We should optimize the investment structure to ensure the construction of key projects. The investment in fixed assets should be used, particularly in basic industries and infrastructural facilities, and good arrangements should be made, particularly for the construction of water conservancy and commodity circulation facilities and high and new technology projects. Regarding the key projects arranged by the state and the province, we should list them in the order of priority and muster efforts to ensure their construction in line with the principle of "five priorities." We should increase the investment in technical transformation; support on a priority basis the projects and products that have high starting points, advanced technology, and a wide market; and resolutely check the practice of using technical transformation funds to expand production by increasing equipment, factory space and the labor force. We should strengthen management of the entire process of the construction of key projects, doing a good job in the early-stage appraisals of the projects, organizing the construction according to a reasonable construction period, and conducting strict inspections to ensure the quality of construction. We should strengthen the collection and management of the provincial capital construction funds and link the withdrawal of funds with the issuance of loans to ensure the timely withdrawal and circulation of funds. Meanwhile, we should strengthen overall regulation and control to resolutely check ill-considered and duplicate construction.

D. We should gradually establish and improve the urban socialized service system and accelerate the development of tertiary industry. We should further emancipate our minds; relax policies; persistently pool the efforts of the state, the collective, and the individual; and substantially increase the proportion of GNP from tertiary industry. First, we should accelerate the development of commerce and service trade to enliven circulation. We should give full play to the role of state and cooperative commercial enterprises, material supply enterprises, and foreign trade enterprises as major outlets; encourage collectives and individuals to develop commerce and service trade; and gradually establish a complete, coordinated, and flexible commodity circulation and service system. Supported by central cities and large and medium-sized commercial enterprises, we should establish national, provincial, and regional networks of wholesale outlets; build a number of commodity exchange centers and comprehensive and special markets in large and medium-sized cities and important towns; build a number of commercial, catering, repair, and service facilities in small and medium-sized towns; and develop border trade markets in border cities and towns to expand exchanges and cooperation with other provinces. Second, we should accelerate the development of the monetary service trade, open up the channels for lending money, continuously improve the network of the monetary market, expand the stock market and the foreign exchange regulating market, actively develop domestic and international trust business, and develop insurance services to better serve economic construction. Third, we should accelerate the development of information and consulting services, make the information market successful, and actively adopt modern computer technology to develop and use information resources to give full play to the role of information in guiding economic development. Fourth, we should coordinate establishment of the urban socialized service system with urban planning, construction, and management; accelerate construction of urban infrastructural facilities; continue to improve the conditions for transportation; develop postal and telecommunications service more rapidly; greatly promote comprehensive real estate development; achieve success in housing construction; and actively develop community service with the support of neighborhoods so that cities and towns can better perform the functions of comprehensive service.

E. We should make great efforts to increase revenues and reduce expenditures to achieve a financial balance. This year's financial situation is grim, and it is very difficult to achieve a balance between revenues and expenditures. Finance and tax departments at all levels should find an exit in the process of reform, enhance the sense of production, actively cultivate the sources of revenue, and greatly promote production to increase the revenue. They should improve the financial and tax systems, persistently collect taxes according to law, strengthen financial management, check tax evasion, and collect all the taxes that conform to policies in a timely manner and in full amount. They should strengthen the regulation of

the budget, make a tight expenditure budget, retrench administrative spending, strictly control institutional purchases, and manage and use well all extrabudgetary funds so that the limited funds can play a greater role.

F. We should actively advance technological progress and actively raise the quality of laborers. Science and technology are the primary productive forces. To invigorate the economy, we must first develop science, technology, and education. All levels across the province should firmly grasp the primary productive forces as a top priority, mobilize all social sectors, and unswervingly advance the work of "developing Shandong through science and education."

In developing scientific and technological work, we should continue to uphold the orientation of serving economic construction, establish a mechanism that closely combines science and technology with the economy, continue to deepen the reform of the scientific and technological system, further formulate and perfect scientific and technological policies, organize more scientific research organs and scientific and technical personnel to plunge into the main battlefield of economic construction, solve problems which badly need to be resolved in the course of economic development, and tackle scientific and technical problems. It is necessary to further perfect the scientific and technological socialized service system, popularize and apply the existing scientific research findings, strengthen the building of intermediate experimental bases, and accelerate the conversion of scientific and technological findings into practical productive forces. We should pay attention to basic scientific research, give priority to supporting potential scientific developments and specialized courses, do a good job in starting the experiment of the national campaign of developing cities with science and technology in Shandong areas, adopt special policies, actively develop high and new technological industries, make rational plans for the designated high and new technological industrial development zones, support them, and display their role as an impetus and in radiation. We should establish a multilayered and multichanneled scientific and technological investment system, increase scientific and technological input, give priority to equipping a number of scientific research organs with advantages and characteristics, pay attention to studying and applying policy decisions, and make policy decisions more scientific and democratic.

In educational work, we should act in line with the demand of upholding the orientation, optimizing structure, improving conditions, and raising quality; we should strengthen elementary education as well as vocational and technical education, steadily develop higher education, actively conduct adult education, and strenuously develop pre-school education and special education. It is necessary to pay attention to building a contingent of teachers and teacher training institutes. This year the whole province will generally implement compulsory junior middle school education, and will make more than 25 percent of townships and towns

popularize compulsory secondary education. Continued efforts should be made to increase educational input, improve teaching conditions, renovate urban middle and primary school buildings in line with the plan, help poor areas develop education, further readjust the structure of higher education, optimize the establishment of specialities, strengthen the building of major disciplines and key laboratories, and raise the teaching quality and the efficiency of schools. All levels and all departments, enterprises, institutions, and units should grasp vocational and technical education and the training of workers as they did in production, and strive to raise the quality of worker contingents. In conducting all sorts of education, we must actively strengthen ideological and political work, firmly cultivate the ideology of developing education for the sake of the people, and train personnel who are both socialist-minded and vocationally proficient.

We should strengthen the ideology of respecting knowledge and trained personnel throughout the whole society and should fully display the role of all sorts of personnel in the modernization drive. Scientific and technical personnel are the mainstays of the primary productive forces. In the world today, whosoever has these personnel will gain the initiative in the acute economic and technological competition, and will be invincible. We must grasp well the work of training, developing, and bringing in personnel from a strategic perspective.

We should tap the potential of existing talented people; successfully perfect and implement the policies toward intellectuals; and strive to improve their working, studying, and living conditions in order to truly attain the goal of showing concern for them in politics, having confidence in them in work, and giving special care to their livelihoods. We should establish and perfect incentive mechanisms by giving high awards to those who score obvious achievements and make conspicuous contributions with an aim of creating a good environment for achieving as many results as possible, achieving results as far as possible, and achieving as good of results as possible, and of encouraging talented people to develop their talents. We should stimulate the movement of talented people. In particular, we should formulate preferential policies to attract talented people to work at the forefront of production and in the grass-roots areas. We should formulate plans and support policies to bring in intellectual expertise and should utilize various channels to attract even more specialists, scholars, and engineering and technical personnel to serve in the province's economic construction.

G. We should conscientiously implement the three basic national policies: bringing population under control, protecting cultivated land, and improving the environment. The coordinated development of population, natural resources, and the environment is the objective demand of the modernization drive as well as a comprehensive reflection of the level of the building of two civilizations. Thus, principal persons at all levels should personally give a hand in this work. We should firmly

and unswervingly control population growth and should apply administrative, legal, economic, and ideological and political means to do penetrating and painstaking population work, rather than oversimplifying it. We should concentrate on basic work at the grass-roots level and on helping the backward areas. We should persist in the "system of negating all work once the family planning quotas are not fulfilled" and should try every possible means to consolidate and develop the achievements that are already made. This year the province's natural population growth rate should be controlled below 11.5 per thousand. We should actually manage and use well the allocations for the above-quota births in order to resolutely check unauthorized levies and expenses. We should continue to strengthen land management and gradually expand the scope of paid utilization of the land for nonagricultural use. We should have paid utilization of the land for residential use in rural areas. For the land for construction use, we should control the quotas of the total scale and of construction projects in order to reclaim waste land in a planned way. We should develop concern about the environment, strengthen environmental protection, carry out the system of quota management and responsibility for environmental protection, accelerate the drawing up of local rules and regulations, and strengthen supervision and management of these rules and regulations. We should continue to strengthen the management of mineral resources and water resources and the supervision and protection of the ecological environment of seas, lakes, and rivers in order to leave our descendants green water, blue sky, and green land.

#### **4. We Should Emancipate Minds and Seize Opportunities To Accelerate Reform and Opening**

Reform and opening are the only way to realize socialist modernization. Only by firmly and unswervingly pushing forward reform and opening can we instill vigor and vitality to the province's economic and social development.

A. We should further renew our concepts and increase the feeling of urgency in carrying out reform and opening. Since the third plenary session of the 11th CPC Central Committee, the province's economic and social undertakings have witnessed considerable progress. It should be clearly noted, however, that amid the increasingly sharp competition in economy and technology, the challenges we face have become heavier and heavier. Compared with advanced provinces and municipalities, the gaps in many fields have tended to widen, and the advantages in some fields have been weakened to some extent. The reasons for such a situation are many-faceted. Most major reasons lie in the failure to fully emancipate the minds; in the lack of a sense of commodity economy, a sense of market competition, and a sense of reform and opening; in the lack of courage and vigor to pioneer undertakings ahead of others; in the lack of the overall concept of making coordinated and joint efforts and of giving consideration to the overall situation; and in the lack of a sense of crisis, maintaining that

making no progress means retrogression and even making minor progress means retrogression.

Whether we can achieve great progress in economic and social development and make greater contributions to the modernization program of the entire country is decided by the extent to which we emancipate our minds and the range and quality of our reform and opening up. Faced with the new situation in reform and opening up, we should understand the provincial situation anew, explore new ideas, and work out new methods to break with all the ossified ideas and concepts that hinder reform and opening up. Instead of equating the market economy with the capitalist economy, we should take the initiative in facilitating the combination of the planned economy with market regulation, greatly develop the commodity economy, and have more courage to participate in exchange and competition in the domestic and world markets. Instead of equating the use of foreign capital with self-reliance, we should have more courage to use foreign capital and import advanced technology and managerial expertise while adhering to the principle of self-reliance and to learn from all the useful experiences from all the countries of the world. Instead of equating active efforts to make progress with impatience for success, we should enhance the sense of urgency, responsibility, and crisis, and all trades and professions should adopt every possible means to develop well the projects that can be accomplished with effort. Instead of equating the creation of new ideas with the maintenance of stability, we should embrace the idea of creating first-rate work and having the courage to be the vanguard and should bravely conduct experiments and blaze new trails concerning the projects of whose worth we are certain. Instead of equating the mistakes emerging from the exploration of reform and opening up with violation of the party's principles and policies, we should advocate and support the efforts and creative work of all localities which implement central principles and policies in line with specific local conditions. There is no limit to practice and understanding. Emancipation of the mind cannot be done once and for all. Every step of reform and opening up involves emancipation of the mind. All levels and all trades and professions, especially leading comrades, should take the lead in emancipating the mind and reviewing the aforementioned issues in line with the situations of the provinces and their own cities or counties in order to enhance their understanding. We should keep the international and domestic situations in mind when considering Shandong's strategy for reform and opening up, face up to challenges to enhance our sense of urgency, stand at the forefront of reform and opening up, and respect and support the masses' pioneering spirit. People throughout the province should have more courage in reform and opening up; quicken their step; and truly create a climate in which everyone keeps reform and opening up in view and develops, supports, and protects them.

B. We should increase the weight of reform and achieve breakthroughs in key projects. In rural reform, we should

continue to stabilize the responsibility system focusing on household-based contracts which link remuneration with output, improve the dual management mechanism that combines unified management with independent management, actively develop the socialized service system, and gradually expand the strength of the collective economy. With the guidance of this general principle, we should conscientiously carry out the work of rural reform experimental zones and probe new methods for improving rural reform. We should make active efforts to reform the system for the circulation of farm products and gradually establish a service system whereby manufacturers of major products are placed in the lead; urban and rural areas are connected; and production, supply, and marketing constitute a coordinated process. Regarding the farm products over which control has been relaxed, we should encourage peasants to engage in their purchase and marketing, processing, and transportation for sales so that the impeded circulation of farm products can be changed. We should gradually rationalize the price parities between industrial and farm products and between different farm products, and narrow the price differential between industrial and farm products, so as to realistically protect peasants' interests.

With regard to enterprise reform, we should take the smashing of "one common big pot and three iron objects" as a breakthrough point and accelerate the transformation of managerial mechanisms. We should reform the personnel affairs system, break the boundaries between cadres and workers, and carry out the system of inviting managerial personnel and technicians. Under such a situation, cadres can become workers and workers can become cadres. It is necessary to reform the employment system. We should positively carry out the all-worker labor contract system; break the boundaries between full-time workers and contracted workers; carry out the method of employment through competition; optimize labor organization; adopt measures for surplus personnel such as on-the-job training, job waiting lists, and retirement; and be sure that staff and workers can be either employed or dismissed. It is necessary to reform the distribution system. Enterprises can determine their distribution forms according to the wage bills defined by the state, divorce the real income of the staff and workers from the original standard wages, link their income with their work posts and work contributions, gradually carry out the system of fixing wages according to their technical posts, and be sure that their income can rise or drop. Enterprises should transform mechanisms. The departments responsible for economic work and superstructural departments must change their functions, must shift the focus of management from direct management to indirect management and from administrative means to economic and legal means, and must penetrate management into service. We should conscientiously implement the "enterprise law," the 20 central regulations, and a series of reform measures set forth by the province, and should create a fine external environment for deepening enterprise reform. We should continue to popularize the experiences from carrying out the "dual

contract" system gained by some areas, including Zaozhuang; conscientiously conduct, on a trial basis, reform among 132 large and medium-sized enterprises; vigorously sum up and popularize the typical enterprises with outstanding achievements and good economic results; and promote a deep development of enterprise reform.

We should reform the housing system. The general principles for housing structural reform are that the state, the collectives, and the individuals share the burden; and equal attention should be paid to rent, sale, and construction. Under unified policies and in line with different actual conditions, the localities should make different policy decisions, transform mechanisms, and ensure the implementation of the reformed housing system. In line with different actual conditions, all localities should work out specific plans. Housing reform relates to each and every household. Thus, we should extensively solicit opinions from the masses, conduct trial reform, and gradually implement the reformed system.

The reform of the social guarantee system focuses on reform of the social insurance system. We should appropriately expand the scale of insurance, set up the social insurance fund system, gradually change the current situation in which the social insurance fund comes totally from the state and the enterprises, change the unitary old-age insurance to a multilayered old-age insurance, reform the work-related injury insurance system, implement the policies on protecting and supporting social welfare services, and attend to arrangements for the handicapped and social relief work. All localities should conscientiously organize, on a trial basis, the system of medical treatment with public funds and the labor insurance system. In line with actual conditions, we should positively develop the cooperation and medical treatment services and run old-age insurance undertakings. We should continue to work on the reform of planning, financial, and pricing systems.

We should conduct organizational structural reform in a systematic manner, streamline administration, change functions, and gradually carry out "streamlined government and large-scale service." This year, all localities should attend to organizational reform at the county and township levels, create experiences, and guide work in all spheres.

C. We should accelerate the pace of opening up, and gradually change the domestic-oriented economy into an export-oriented economy. At present, the old world pattern has been broken and a new pattern has not yet been formed. We should grasp the opportunity of the international economic structural readjustment, lose no time in expanding opening up, and seek development and improvement in international exchange and competition. First, we should actively implement the pluralistic market strategy and develop all-around international markets. In line with the principle of "combining economic development with foreign trade, making unified

plans, displaying advantages, and seeking rational disposition of resources," we should adopt flexible and diversified forms, consolidate old customers and markets, make new friends, develop new markets, readjust and improve the disposition of markets outside the province, gain the initiative in developing foreign trade, actively establish overseas enterprises, independently run or participate in domestic and foreign commodity exhibitions and trade exchange fairs, and expand our influence abroad. Second, we should actively promote reform of the economic and trade system; further improve the relations of provincial-level economic and trade systems; step up our efforts to reform the foreign trade systems of various cities, prefectures and counties; perfect the foreign trade enterprise contract system; strive to delegate greater import and export operational rights to enterprises, and establish a multichanneled export operational system; support the development of nongovernmental foreign economic relations and trade; and form a joint force for developing an export-oriented economy. Economic and trade departments should further change their business concept, improve their work style, strengthen their operation and management, reduce the cost of earning foreign exchange, and increase foreign exchange earning through export. Third, we should be guided by the international market; actively readjust the structure of export products; persist in winning success by improving quality; consolidate and develop the export of traditional products; and increase the export of machinery, electric, light, and textile products with advanced technology and high additional value. Fourth, we should actively expand the utilization of foreign capital to optimize and upgrade the industrial structure, strive to fight for loans from international banking organizations and governments, absorb direct investments from foreign businessmen through various channels and forms, combine the utilization of foreign capital and the import of technology with enterprise reorganization and transformation, and raise the present industrial level. We should also combine the utilization of foreign capital with export trade, labor service, and overseas contracted projects in an effort to use economic development to promote foreign trade and to use foreign trade to bring along economic development in order to achieve coordinated development. It is necessary to accelerate the pace of the opening up of the Shandong peninsula open zone, fully display the "window" and exemplary roles of the Qingdao and Yantai Economic and Technological Development Zones, and promote the opening up of the whole province to gradually expand from east to west. We should strengthen management over joint, cooperative and foreign-funded enterprises, and realistically solve the problem of some enterprises that import raw materials at high prices and export processed products at low prices, thereby incurring deficits over a long time. Fifth, we should expand scientific, technological, and cultural exchanges with foreign countries; actively develop tourism; develop and protect natural points of interest for tourists; raise the level of service; do a good job in organizing activities for visiting China in 1992; and promote all-around opening

up. While expanding opening up, we should actively promote lateral cooperation among provinces, regions inside the province, urban and rural areas, and among various trades; actively develop economic and technological exchange and coordination among various provinces and regions along the Huanghe coordinated economic zone; and make their advantages mutually complementary in seeking common development.

#### **5. Fully Develop Political Advantage and Step Up Building of the Socialist Spiritual Civilization**

In view of the complicated international situation and the heavy tasks of reform, opening up, and economic construction, we should always persist in two tasks simultaneously; greatly strengthen ideological and political work; improve the ideological, moral, scientific, and cultural qualities of the people throughout the province; and enhance their capacity to resist and oppose "peaceful evolution" so that they will provide spiritual impetus, intellectual support, and ideological guarantee for economic development and social progress.

A. We should intensify the socialist ideological education to enhance the faith of cadres and the masses in socialism. In rural socialist ideological education, we should further consolidate, develop, and improve the achievements already made. We should take the party's basic line and Comrade Jiang Zemin's important speech given at the rally in celebration of the 70th anniversary of the party's founding as a guide when conducting intensive ideological education on patriotism, collectivism, and socialism. We should continue urban socialist ideological education and make it into a system, since it has become regular education instead of education conducted in a designated period, and combine it with regular political study activities, efforts to improve urban areas comprehensively, and efforts to solve the conspicuous problems in production and people's life so that the masses will experience the superiority of the socialist system. Comrade Deng Xiaoping pointed out that persisting in the socialist road "is both a process of struggle and a process of persuasion and education and, ultimately, it is to persuade the people who do not believe in socialism with our development." In both urban and rural areas, we should coordinate socialist ideological education with endeavors to achieve ideological progress, improve democracy and the legal system, develop economic construction, make unremitting efforts to conduct it as a regular task, and continuously encourage the enthusiasm and energy of cadres and the masses for building socialism. Governments at all levels should gradually increase their investment in building the spiritual civilization in line with the regulations to improve the basic facilities and means of building the spiritual civilization.

B. We should step up efforts to improve socialist democracy and the legal system and to achieve success in comprehensively tackling public security problems. Developing a high degree of democracy and a complete legal system is a great goal of the socialist modernization

program. The people's congress system is China's basic political system. Governments at all levels should take the initiative in subjecting themselves to the supervision of people's congresses and their Standing Committees, conscientiously implement the various resolutions of the people's congresses, and make active efforts to handle well the suggestions and proposals of people's deputies and CPPCC members. They should persist in and improve the system of multiparty cooperation and political consultation under the CPC leadership and extensively give heed to the opinions of the CPPCC, mass organizations, democratic parties, patriotic personages, and various circles when making and implementing important decisions and handling important matters. They should wholeheartedly rely on the working class; respect workers, peasants, and intellectuals as masters of the state; and actively advocate the autonomy of villagers and neighborhood people. They should support mass organizations, such as trade unions, women's federations, and the CYL, and give better play to their role as a bridge to connect them with the masses. They should carry forward the traditional virtue of respecting the old and cherishing the young and make the work toward old people more successful. They should continue to make their administration public for the scrutiny of the society and to inform the masses of government work in a timely manner.

We should persistently administer the province according to law, further improve the legal system across society, and strengthen the authority and role of the Constitution and the law in all spheres of society. Governments at all levels should pay attention to building rules and regulations within the scope of their functions and powers, and should strive to attain the goal of strict law enforcement and observation, with punishment of law breakers. We should continue to carry out the second five-year plan for law popularization to enhance the masses' sense of citizenship, their sense of law, and their consciousness in observing discipline and laws and in performing the powers and obligations which are entrusted to citizens. All government workers, leading cadres in particular, should take the lead in studying laws and doing administrative work according to the law. We should strengthen the building of a system of law execution and the ranks of law executors, improve the conditions and means for law execution, and strengthen the supervision over law execution. Once law violations come to light, punishment must be given according to the law without any leniency.

We should continue to put political and social stability in first place, and further consolidate and develop political stability and unity. We should carry out reform and opening with one hand, and deal blows to criminal offenses of all types with the other hand. We should penetratively wage a struggle against "subversion, infiltration, and peaceful evolution" and should watch out for and smash, in a timely manner, sabotage by hostile forces at home and abroad. We should conscientiously implement "Shandong Province's several regulations on

comprehensive management of social order," adopted by the provincial People's Congress Standing Committee. With focus on the basic work at the grass-roots level, with "anti-theft" as the breakthrough, and in line with the principles of integrating the masses' efforts with those of special organs, while simultaneously stressing blows with prevention, and tackling problems by looking into both the root cause and the symptoms, we should carry out measures for tackling public security problems in a comprehensive manner and enhance the people's ability to prevent crimes. We should depend on forces in all fields to alleviate and solve contradictions and to appropriately solve civil and economic disputes of all types. We should continue to wage a profound struggle against pornography and the six vices and should spare no effort in dealing blows to the criminal activity of abducting and trading women and children in order to resolutely get rid of this ugly phenomena in society.

We should extensively and penetratingly launch the activity of supporting the army, giving preferential treatment to family members of revolutionary martyrs and servicemen, supporting the government, and cherishing the people and activities in which the army and civilians make joint efforts to build a spiritual civilization, with the purpose of strengthening the unity between the army and the government and between the army and the people under the new situation. Governments of various localities should do as many tangible things as possible for the army, should give positive support to the modernization of the army, and should build still more model cities (counties) in the double-support activity. We should continue to step up education on national defense and education on maintaining secrecy, should strengthen the sense of state security, should vigorously protect national defense facilities, should put the work of the people's militia on three solid footings, should strengthen the building of reserve duty forces, and should give full play to the role of the people's militia as the backbone in building the two civilizations.

C. We should enrich the masses' cultural life and strengthen the people's physique. Cultural work should be oriented in the direction of serving the people and socialism and to the principle of "letting a hundred flowers bloom and a hundred schools of thought contend." In doing cultural work, we should give top priority to social benefits, carry forward the excellent culture of the Chinese nation, publicize the deeds of heroic and model figures, propagate reform and opening, eulogize the spiritual outlook of the great times, guide the vast number of masses to consciously resist the inroads of erroneous ideological trends and corrosive culture of all types, and use socialist ideas to occupy the cultural front. In addition, we should strengthen the study of social sciences, theoretically summarize the most common practices in the modernization drive as well as in reform and opening up, and explore the law of building socialism with Chinese characteristics.

Literature and art, press and publications, radio and television, and historical relics and archives should cater

to society, provide nourishment for the people's mind, and offer quality service to the people. We should vigorously run medical and health undertakings, extensively launch the patriotic health campaign, solidly conduct the campaign of building public health cities, and improve elementary rural health work. Medical workers should foster a fine medical morality and a fine medical style, carry forward the revolutionary humanitarian spirit of healing the wounded and rescuing the dying, and offer good service to the people. We should comprehensively rejuvenate sports undertakings. The Olympic Games will be held this year. Simultaneously, this year is also the key year to welcome the seventh national sports games. All sports workers should unite as one, closely cooperate with each other, assiduously temper themselves, and make unswerving efforts to develop the sports of Shandong.

#### **6. We Should Firmly Remember the Purpose of Serving the People and Realistically Achieve the Self-Construction of the Government**

We should better perform the duties of organizing economic construction and managing social affairs. Governments at various levels and all working personnel should realistically improve their thinking, work style, and discipline; conduct reform; blaze new trails; be honest and diligent in performing their official duties; be united; do solid work; and offer highly-efficient service; create fruitful achievements; bring benefits to the people; and win honor for the party.

A. We should conscientiously study Marxism-Leninism-Mao Zedong Thought and improve the political and theoretical quality of government personnel. Studying and grasping Marxism is the basic quality of government personnel, particularly leading cadres, as well as an important guarantee for doing their jobs well. At present, we should conscientiously implement the provincial five-year cadres training plan; improve the study system; fully use party schools and cadre schools at various levels to train the personnel of the governments; pay particular attention to training the leading cadres at or above the county level; carry forward the study style of linking theory with practice; strive to grasp the basic stand, viewpoint, and method of Marxism; conscientiously transform the world outlook; and upgrade the awareness of persisting in the basic line of the party and taking the road of socialism with Chinese characteristics.

B. We should strengthen the improvement of administrative honesty and further narrow the relationship between the government and the people. Unswervingly conducting education on being honest and diligent in performing official duties and positively waging the struggle against corruption and peaceful evolution is a fundamentally great matter in narrowing the relationship between the government and the people. Governments at various levels should approach from the high plane of consolidating their political power and should fully understand the extreme importance of improving administrative honesty and diligence. We should firmly

foster the concept of waging arduous struggle, being diligent and thrifty in building the country, developing all undertakings, and serving the people wholeheartedly. We should further set up and improve the system of being honest and diligent in performing official duties and of strengthening the improvement of administrative honesty according to the law. Supervisory and auditing departments should fully display their supervisory functions and adopt effective measures for strictly investigating and handling undisciplined and unlawful cases.

We should step up our efforts to investigate and punish in accordance with the law all corrupt persons who are guilty of abusing their power to seek personal gain and who engage in corruption and bribe-taking, regardless of the level on which they are involved; continue to consider investigating and handling cases on using public funds for lavish wining and dining, checking unhealthy trends in various trades, and stopping the "random levy of fares, fines, and forced donations" as an important aspect of building clean politics; and commend those who do a good job, and punish those who fail to make corrections over a long time or refuse to do what they should do. Here I reaffirm that, in the future, when leading cadres go to the grass roots, they must use a simple means of transportation, take few people with them, have ordinary accommodations and meals, and must not be allowed to entertain guests or to accept gifts. The higher and lower levels across the province should supervise one another, keep their promises, grasp the work at each level, make each level bring along the work of the next level, and should not give up their efforts until this evil trend is checked.

C. We should grasp the building of grass-roots political power and grass-roots organizations and enhance their fighting capacity. We should implement the principle of streamlining organs, simplifying administration, and strengthening the grass roots; continue to build cities, neighborhoods, townships, and towns, and strengthen the functions of township governments; grasp well the building of village organizations and neighborhood committees with party branches as the nucleus and make our work more systematic and standardized. It is necessary to care for and cherish the grass-roots cadres; actively help them solve practical difficulties in their work and their lives; assign a batch of young cadres who are politically and ideologically sound, strong in reform and opening up consciousness, competent, bold and resolute to replenish the township leading bodies; enhance the fighting capacity of the grass-roots organizations of political power; strengthen awareness in implementing the party and state principles and policies, laws and regulations; and unite with the masses to build a new socialist countryside.

D. We should further change work styles and raise administrative efficiency. Empty talk will hold up state affairs, and practical work will make the country strong. The key to turning the fighting objectives into reality is to change the work style, enhance work efficiency, grasp the work with real effort, and do solid work. Leadership

means service and service means solving problems. We will not win popular support without helping the people to solve problems. Governments at all levels should change their function, strengthen service, regularly go deeply to the grass roots to do paperwork on the spot, and help the grass roots and the masses to eliminate their worries and solve their difficulties. Leading cadres at and above the county level should at least devote one-third or so of their time each year to conducting investigation and research in the grass roots and to giving guidance. We should make up our minds to solve the problem of "numerous documents and meetings." Responsible government comrades at all levels should do everything possible to avoid formalism and bureaucracy; reduce courtesy and social activities; and devote more time and energy to discussing the overall situation, grasping major affairs, and doing practical work. We must assume responsibility over things which have been decided and planned, conduct investigations throughout the whole course of implementation, and grasp it through to the end. We must be good at grasping the work at selected points to bring along the work of the whole area, promptly discover and sum up typical experiences, and make successful experiences rapidly blossom and bear fruits in the whole area.

Fellow deputies:

We have just started on our way to becoming well-off, and the burden is heavy and the road is long. Let us rally more closely around the party Central Committee with Comrade Jiang Zemin as the core, and under the leadership of the provincial party committee, promote the indomitable spirit of fearing no difficulties and being unwilling to lag behind, make vigorous efforts to make the country prosperous, spare no efforts in seeking development, and create more and better achievements to greet the successful convocation of the 14th Party Congress.

#### Tianjin Municipality Government Work Report

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[Tianjin Municipal government work report delivered by Nie Bichu, mayor of Tianjin Municipality, at the sixth session of the 11th Tianjin Municipal People's Congress on 9 March]

[Text] Deputies:

On behalf of the Tianjin Municipal People's Government, I will now give a government work report to this session for its examination and discussion and for the opinions of the members of the municipal committee of the Chinese People's Political Consultative Conference [CPPCC].

### I. The Various Tasks for 1991 Were Fulfilled Fairly Successfully, Which Foreshadowed Development in the Eighth Five-Year Plan Period and the 1990's

The year 1991 was the first year of implementation of the Eighth Five-Year Plan and the 10-year program and also was one in which the international situation was changing, the tasks for economic construction were heavy, and the difficulties in various fields were rather great. Under such circumstances, governments at all levels throughout the municipality strove to carry out the guiding principles defined by the municipal party committee; made conscientious efforts to meet the demands put forward at the fifth session of the 11th municipal people's congress; persistently unified their thinking in line with the party's basic line; persistently took economic construction as the central task, correctly handled the relationship between stability and reform and between stability and development; attached importance to the emancipation of the mind and brave practice; and treasured and fully used political advantages, rich experiences, and the good work foundation that our municipality had established over the past many years. Thanks to the concerted efforts of the people throughout the municipality, we continuously maintained political and social stability throughout the municipality and made new headway in economic construction and other various undertakings. Total supply and total demand grew more rapidly. The municipality's GNP rose by 4 percent, national income by 3.2 percent, industrial and agricultural output value by 8.3 percent, and revenue by 1.9 percent. In this way, the annual plan decided at the previous people's congress session were fulfilled fairly successfully, and reserve strength was prepared and a fairly good foundation laid for Tianjin's further development in the future.

#### A. Industrial production grew continuously and major industries picked up gradually.

Although industrial enterprises faced sluggish sales and serious defaults in payments and operated under full capacity, Tianjin launched in-depth activities for the "quality, variety, and efficiency year" and for the double-increase and double-economy campaign which is aimed at reducing deficits and increasing profits and accelerated adjustment of the product mix and technical transformation. As a result, Tianjin's industrial output value totaled 76.69 billion yuan, up 8.4 percent from the preceding year. Of the total, 32.36 billion yuan were created by local state budgetary enterprises—major industrial enterprises—which put an end to the continuous downturn in production and the large-scale decline in efficiency which emerged since the second half of 1989. The figure was a 3.1 percent increase over the preceding year. Product quality improved steadily. A total of 98.1 percent of the 320 key products under the administration of the municipality showed steady improvement in their quality. The percentage of key export products which proved up to standard after commodity inspections and the percentage of products whose quality proved up to standard after state spot

inspections were the best in our history. In the whole year, 1,323 new products were put into production, an increase of 18 percent over the preceding year; the output value created by 200 undersupplied products totaled 20 billion yuan, an increase of 15 percent; and 6,000 products which proved new in four aspects were developed. Economic efficiency picked up. Local state budgetary industrial enterprises created 2.684 billion yuan in profit, up 2.3 percent from the preceding year. Deficits were put under control and the volume of deficits declined by 10.4 percent from the preceding year. The work to prepare strength for sustained development showed fairly great progress. Tianjin's investment in capital construction for industry totaled 5.363 billion yuan, up 89.2 percent from the preceding year; and its investment in industrial technical transformation totaled 2.325 billion yuan, up 59.1 percent. The 10 major industrial projects planned to be built in the Eighth Five-Year Plan period have proceeded smoothly. The seamless steel tube project can be put into trial operation this year; the early-stage preparations—the supplies of water and electricity, the opening of roads, and the leveling of land—for the ethylene project have been started in an all-around manner; the program-controlled switchboard project will begin soon; the mini car expansion project has been, by and large, approved by the state; and the polyester, chemical fertilizer, and the secondary iron-melting projects have all been listed in the state plan. The volume of cargo handled by our ports totaled 23.77 million tons, up 15.3 percent from the preceding year; and the transactions of postal and telecommunications services rose by 36 percent.

#### B. The rural economy achieved overall development, and agriculture had a bumper harvest again.

The total product of the municipality's rural society reached 32.05 billion yuan, a 15.7 percent increase over 1990; its total economic incomes surpassed 20 billion yuan, an 11 percent increase over 1990. The municipality reaped the eighth bumper grain harvest for the year, and its total grain output was 1.985 million tons, a 5.1 percent increase over 1990. Its cotton output was 25,500 tons, a 66.5 percent increase over 1990. The production of major nonstaple foodstuffs, such as meat, eggs, vegetables, milk, and aquatic products, surpassed the annual plans. The municipality took a large step in maintaining a balance among market supplies and stable commodity prices, keeping market supplies fresh or alive, and in improving the supplied goods to a higher grade. The township enterprises across the municipality showed a 20 percent increase over 1990 in both output value and gross income, a 13 percent increase in profits handed over to the state, and a 19 percent increase in taxes handed over to the state. The rural pace in developing the export-oriented economy was accelerated and the value of purchased commodities for foreign trade accounted for half of the value of purchased commodities actually exported in the year. The actual strength of collective-run enterprises was further enhanced, and collective fund accumulation at the village level reached 4.4 billion yuan.

C. The municipality made a greater breakthrough in opening up and became responsible for its profits and losses in foreign trade and exports.

The year 1991 was the first period in which the state enforced the new system of having all foreign trade companies be responsible for their profits and losses in the year. The municipality encountered very serious difficulties because of its high cost of earning foreign exchange in the year. Under such a situation, the municipality adequately readjusted the foreign trade plan, improved the policies for supporting foreign trade and exports, and scored better results than were anticipated. The municipality realized \$1.606 billion in exports, surpassing the plan by 10.8 percent; its cost of earning foreign exchanges showed a 6.3 percent decrease over 1990. It succeeded in being responsible for profits and losses. The municipality topped the previous peak in directly utilizing outside funds and signed contracts to open 354 "enterprises of three kinds of capital," a 1.7-fold increase over 1990. The volume of investments made by foreign businessmen or firms showed a 20.1 percent increase over 1990. The municipality opened sea and air transportation with South Korea. The transportation operation over the continental bridge between Europe and Asia began. The Tianjin airport restored or opened more domestic air routes and will gradually increase its international air routes. The municipality is actively making arrangements for establishing foreign-funded banks. It has just completed the first-phase project, approved by the state last year, with regard to building infrastructures in the bonded zone of Tianjin harbor; the trend of attracting business to the bonded zone is very good. Projects set by the development zone on large-scale development and several large joint-venture projects achieved greater progress. The tourist business overfulfilled the annual plan, and the volume of contracts on labor migration surpassed \$100 million for the first time.

D. The purchase and sales of commerce gradually increased and lateral economic and technical associations became increasingly brisk.

The total value of purchased commodities in the year showed an 11.7 percent increase over 1990; that of commodity sales, a 15.4 percent increase over 1990; and that of total retail sales, a 13.3 percent increase over 1990. The sales of food, cloth, and daily necessities increased overall. Market supplies were abundant and sufficient. The retail prices of consumer goods showed an 8 percent increase over 1990. The municipality built new national-level or regional-level wholesale markets for sugar and pork and 24 rural trade fairs. It also built, rebuilt, and improved 425 shopping networks and centers and a substantial number of large commercial facilities. The municipality also sponsored two trade fairs in the spring and autumn with the participation of more than 1,000 cities and counties throughout the country. The volume of business during the trade fairs reached 6.2 billion yuan. The total volume of materials purchased by materials circulation enterprises showed a

13.8 percent increase over 1990 and that of materials sold by them showed an 11.2 percent increase over 1990.

In line with the development principle of "having foreign trade foster domestic trade and having domestic trade promote foreign trade," the municipality enhanced lateral economic associations. The municipal People's Government organized groups to go to northwest, north, and northeast China on study and fact-finding tours. In northwest China alone, the municipality signed more than 300 contracts on establishing major economic associations and technical coordination. Various departments and localities across the municipality held talks with 350 prefectures, cities, and counties of 28 provinces, municipalities, and autonomous regions on more than 2,000 projects of economic and technical associations and coordination, showing a more than three-fold increase over 1990.

E. Continuous headway was made in urban construction, and the construction of key projects was in full swing.

The municipality continued a trend of steady development in urban construction by persistently giving priority to key projects, making reasonable arrangements, and carrying forward the good tradition that the people's city should be built by the people. The Zhenglou-Yixingbu section of the Beijing-Tianjin-Tanggu Expressway was completed and transport service to the urban districts was started. Jingang Highway and Zhoulu railway line were completed and opened to traffic. The expansion of the urban telephone and long-distance telephone networks developed according to plan. The reconstruction and expansion of two coal gas plants were basically completed. The municipality maintained the figure of building 2 million square meters of urban houses. A group of key projects, including the radio and television tower, Tianjin library, and the first central hospital, were completed. Simultaneously, some 182,000 square meters of lanes were paved or repaved, 336 low-pressure water supply systems were rebuilt, 650,000 square meters of dangerous and shabby houses were repaired, heat supply systems serving an area of 530,000 square meters were built, and the project for supplying coal gas for 50,000 households was completed. Urban sanitation and management were strengthened. Environmental quality was improved. The work of making the parks green was overfulfilled. The municipality continued to receive the honorary title of the "best 10 sanitation cities" in the whole country.

F. The smooth progress of reform in various spheres promoted economic development and social stability.

In regard to the improvement of the state-owned large and medium-sized enterprises, the municipality defined 117 enterprises to conduct trial reform in two stages. At the time of conscientiously implementing the 20 measures of the central authorities, the municipal government formulated 16 specific policies and the overall departments also worked out some supporting methods. Preliminary results were made in the trial work. The 109

experimental enterprises on the industrial front strengthened their vitality to varying degrees. Their total output value increased by 10.05 percent, sales income increased by 20.42 percent, and profits increased by 18 percent. According to the state unified plan, we smoothly reformed the prices of crude oil, refined oil, iron and steel, railway goods transportation, grain, and oil-bearing crops. The municipality also readjusted the prices of grain and oil products, some light and industrial products, and service charges; and decontrolled the prices of forage and eggs. The municipality also organized 2.5 million people to discuss the issue of housing reform. The improved housing reform program enjoyed the understanding and support of the broad masses of the people. This program began implementation in 1992. In regard to the credit reform, the municipality established the Tianjin branch of the Communications Bank of China and the Urban Credit Corporation to distribute, on a trial basis, stocks to enterprises. The departments in charge of the overall economic work and various law enforcement departments made gratifying progress in changing their functions and in strengthening their service. The steps for reform in 1991 were quite big. Reform did not bring about great fluctuations; the broad masses of the people became more aware of reform because we paid full attention to the progress of reform, made unified arrangements, grasped favorable opportunities and the extent of reform, persistently relied on the masses, and carefully attended to propaganda work. The situation characterized by stability and unity was further consolidated and developed.

G. New achievements were made in science, technology, and education and new progress was made in other social undertakings.

The municipality consciously took economic construction as a key link to conduct scientific, technological, and educational work and made some beneficial explorations in organically linking science and education with the economy and in better serving economic construction. The scientific professionals and technicians did a lot of work related to readjusting the product mix, tackling scientific and technological problems, and domesticizing imported technologies. With the formal approvals of the state, the new technological industrial park established 202 new enterprises and manufactured and produced 267 new high-tech products. The park earned 378 million yuan from technology, industry, and trade. The 10 key projects for tackling scientific and technological problems, as arranged at the beginning of the year, were comprehensively developed. Of them, five projects partially went into operation and passed the state appraisal tests. Some 820 key scientific and technological findings with international and domestic advanced levels were registered during the year. Of these, 583 were applied. The municipality earned \$30.36 million foreign exchange from exporting 11 technologies, an increase of 56.7 percent over the previous year. Educational work developed steadily. During the year, we built and expanded 15 primary and middle schools and kindergartens and three special educational schools; installed

physics, chemistry, language, and computer facilities in key middle schools at all levels; and renovated dangerous middle and primary school buildings in the rural areas covering a floor space of 250,000 square meters. About 71.6 percent of townships and towns met the demand of nine-year compulsory education; the structures of vocational, technical, and adult education were further readjusted; and institutions of higher learning provided a batch of new scientific research achievements for our municipality's economic construction. Medical and public health conditions further improved, and the entire municipality's birth rate and natural population growth rate declined from the previous year. Noticeable achievements were also made in cultural, sports, radio broadcast, film, television, press, publication, and archive work.

H. The people's living steadily improved, and the building of spiritual civilization was unceasingly strengthened.

The 20 practical things the municipal government defined for improving the living of the urban and rural people had all been carried out; all departments and units also solved a great number of heated and difficult problems in which the masses were interested. By holding heart-to-heart talks, providing services, installing "telephone hotlines," and giving media supervision in particular, we promptly understood and solved the urgent and difficult problems of the masses and maintained closer ties between the government and the masses. The incomes of the urban and rural people continued to increase, the total wages of workers across the municipality increased 15.2 percent over the previous year, the annual average wages of workers increased 12.4 percent, and the annual average per capita net income of peasants increased 9.3 percent. The savings deposits of the urban and rural residents totaled 16.318 billion yuan, an increase of 3.626 billion yuan over the beginning of the year. The municipality-wide activities to select outstanding public servants were vivid and dramatic, volunteer societies and community service networks were unceasingly and deeply developed, and good deeds and new work styles emerged endlessly. All trades and professions conducted extensive education on the basic line and on basic national conditions, carried out propaganda and education on the legal system focusing on the "administrative procedure law," specifically strengthened ideological and political work, further enhanced the ideological and moral level and the discipline and law of the people throughout the municipality, and promoted the building of socialist spiritual civilization. Last year when we provided relief to the people in the southern flood-stricken areas, the entire municipality collected 613 garments and quilts, donated materials and Renminbi totalling 35 million yuan, and dispatched three groups of medical teams to the disaster areas to give medical services and medicines, manifesting the fine mental attitude of the broad masses of people. The whole municipality deeply launched special struggles against pornography, the six vices, gambling,

and theft; dealt unceasing blows to all sorts of criminal activities; witnessed a decline of 9.6 percent in the rate of criminal incidence from the previous year; and succeeded in continuously maintaining the municipality as one of the best public security areas in the whole country.

Fellow deputies:

These achievements show that the guiding principles and work ideologies defined by the municipal party committee during the beginning of the year were correct, and all major measures we adopted were effective. At the same time, this also proved again that the people of Tianjin have consciences and wisdom in the face of difficulties, reflected that all sectors in the municipality were strongly united, and fully manifested the strong desire of the higher and lower levels to pool their wisdom and efforts to invigorate Tianjin with one heart and one mind. Here, let me extend heartfelt thanks and lofty respect to the people across the municipality who worked on all fronts and made great efforts to develop all construction undertakings; to all officers and men of the Tianjin garrison, army units stationed in Tianjin, and armed police force who made positive contributions to Tianjin's stability, unity, and reforms; and to democratic parties, the Federation of Industry and Commerce, and mass organizations that worked with us with one heart and one mind and with concerted efforts on behalf of the municipal People's Government.

There are achievements and progress in our work but also many contradictions and problems. Looking at the economic field, first, economic efficiency took a turn for the better but failed to be thoroughly improved, the increase rate of the gross national product was still on the low side, the range of enterprise deficits was relatively wide, and the burden of keeping the above-quota deficit of foreign trade on credit remained very heavy. Second, the readjustment of industries and products failed to meet the demand of market development; the development of tertiary industry was not quick enough, and its overall level was relatively low. Third, the finance situation failed to cast off its difficulties, financial revenues increased slowly, the factors for increasing expenditures continued to increase, and it was difficult to maintain a balance between revenue and expenditure. Fourth, in depending on scientific and technological progress to invigorate Tianjin's economy, our understanding was not profound enough, our policies and measures were not effective enough, our systems were not smooth enough, and our potential was far from being tapped. Looking at social life, unhealthy trade trends were thoroughly not corrected; some ugly social phenomena frequently emerged; and various kinds of feudal, superstitious, and gambling activities were comparatively serious in some localities. Looking at ideology and work style, our minds were not fully emancipated; our ideas, concepts, leadership methods, and organizational functions failed to meet the demand of the planned commodity economy; the work in some areas was unrealistic and done with squabbling; and formalism still existed in leadership work, which failed to be extricated from the

phenomena of excessive meetings, documents, and professional activities. Although some of these problems resulted from objective restrictions and influences, many of them were directly related to our work. The problems that emerged in lower levels also reflect the shortcomings and deficiencies of the leadership of the municipal government. For these problems, we must pay attention and adopt effective measures to solve them in our future work.

## **II. We Should Seize Favorable Opportunities To Further Accelerate Our Municipality's Economic Development**

The year 1992 is the second year for carrying out the Eighth Five-Year Plan, as well as a critical year for accelerating reform, expanding opening, and making a big step in readjusting structure and improving efficiency. The success in the work of 1992 is of extremely great significance in invigorating the municipality's economy and comprehensively fulfilling the arduous tasks for economic construction in the 1990's.

Fellow deputies and people throughout the municipality are extremely concerned about the current economic situation of the municipality and about the prospects for future development. I want to give a brief explanation of this issue. Recently, the municipal party committee and government have made an analysis of the general situation of the municipality's economic work on many occasions, and my basic views are: Through several years' endeavor, the municipality's economic development has basically passed the most difficult stage. In the coming several years, including this year, although our economic development is at a stage with relatively grave difficulties, the basic conditions exist for us to accelerate economic development when looking at the general situation. The fact that our economic development has passed the most difficult stage can be primarily manifested in the following aspect: On the one hand, some of the long-standing difficult subjects have begun to change, and the national economy has gradually developed in a good direction. All people who owned industrial enterprises basically witnessed a upward trend following two years of decline, and their growth rate and efficiency have turned from negative growth into positive growth. Our foreign export trade had long depended on government subsidies, but last year it not only overfulfilled the export tasks but also assumed responsibility for its own profits and losses. Investment in technological transformation began picking up on a large scale last year following three years' decrease. On the other hand, along with the even more definite trend of major ideas and with the gradual introduction of measures for increasing reserve strength, Tianjin's economic development in the future will be relatively smooth. We have drawn up the Eighth Five-Year Plan and the 10-year program to make the direction, guiding principles, and goals for the long-term development of Tianjin's economic construction more clear; launched a number of key projects to gradually accumulate the strength for sustained development; continuously quickened the

pace and achieved some significant breakthroughs in developing the export-oriented economy and, by and large, established the pattern for opening to the outside world; and conducted a fairly in-depth study of the deep-seated contradictions in Tianjin's economic construction and explored some effective work ideas and measures to resolve them. To meet the needs of the new situation, many enterprises and units have changed their ideas, conducted reform bravely, and accumulated some new experiences in transforming their operating mechanisms and adjusting their product mix. What should also be pointed out is that Tianjin's economic strength has notably increased, the functions of its urban infrastructural facilities have greatly improved, the people's living standards have risen substantially, and all its people and all fields have maintained a good mental attitude of unity and progress thanks to more than a decade of reform and construction. The endeavors to accelerate reform and opening up, to promote economic construction as soon as possible, and to advance along the road of building socialism with Chinese characteristics have became the common desire and urgent demand of the people throughout the municipality. Such advantages have been further consolidated and developed over the past few years. They are the valuable wealth for us to achieve success in economic construction and to rejuvenate and develop Tianjin. The reason we say that Tianjin's economic development still faces rather great difficulties in the next few years is that some deep-seated contradictions have yet to be resolved and some unfavorable factors still exist. First, due to the continuous adjustments of the prices of raw materials and energy resources, it will still take Tianjin, a city engaged in the processing industry, a rather long time to realize the transfer of profits. This year, the state will adjust the prices of coal, petroleum, and grain, thus creating many factors for reducing revenues and increasing expenditures. To maintain the growth in economic efficiency while absorbing the factors for reducing profits, we should make great efforts to adjust the industrial structure and the product mix, accelerate the technical transformation of old enterprises, and continuously increase the technology content and additional value of our products to enable them to earn excessive profits. However, due to the restriction of investment and other factors, great results can be achieved only after a long period of hard work. Second, Tianjin has made scant investment in industry for a long time and has lacked strength for its sustained development. Although we have begun to build some key projects, it will take several years for them to be completed. In addition, the profits gained after these projects are put into production should be used first in repaying loans. It is impossible for these projects to directly help our municipality improve economic efficiency and increase revenue in the next several years. Third, under the current financial system, financial difficulties cannot be notably changed within a short period of time; some policies to support the endeavor of invigorating enterprises, the technical transformation of enterprises, and some projects to develop urban construction and improve people's living

standards will all be restricted by local financial capacity. Fourth, following development of the economy and improvement in living standards, the consumption pattern has changed rapidly and market competition has become more and more intense. This plus the accelerated progress of the talks concerning the restoration of China's position in the General Agreement on Tariffs and Trade and the protection of intellectual property rights has brought both opportunities and challenges to our economic development. However, our concepts, management, personnel quality, and product specifications still cannot meet the needs of the new situation. Through the above analysis, we can reach the conclusion that there are inferior aspects and difficulties in Tianjin's future economic development and that an enhanced sense of crisis and urgency and arduous efforts are required in order to catch up. Meanwhile, we should more fully note that we have more advantages, potential, favorable conditions, and great prospects for rejuvenating Tianjin's economy and that it is totally possible for us to develop the economy more rapidly. Particularly in the key period of socialist modernization, the party Central Committee has unwaveringly implemented the basic line of "one center and two basic points," persistently taken the path of socialism with Chinese characteristics, grasped the current favorable opportunities to quicken the pace of reform and opening up, and further defined the orientation of some major issues, such as concentrating energy on promoting economic construction. Thus, we should firmly grasp the favorable opportunities; give full scope to the overall advantages formed by the municipality for many years; try every possible way to change the existing unfavorable factors; and have greater determination and resolution and adopt stronger and effective measures to promote the economic construction. If we say that we have tried to achieve development in the course of overcoming difficulties in the past years, from now on we should set our sights on development and overcome difficulties in the course of development. We should quicken the pace of development and strive to make greater economic development and elevate the economy of Tianjin to a new high in the Eighth Five-Year Plan period.

The major economic development targets in 1992 are as follows: The GNP should increase by 4 percent, total industrial output value should increase by 6 percent, total agricultural output value should increase by 4 percent, revenues should increase by 2 percent, and the total retail sales of commodities should increase by 12 percent. In the course of implementation, we should strive to exceed the planned targets and make faster progress. The governments at various levels and all departments should make efforts to achieve the work in the following few aspects.

A. We should concentrate energy on structural readjustment and try every possible means to increase economic results.

The main ways for increasing economic results in line with the actual conditions of the municipality are to

readjust the industrial structure and the product mix; to promote technological progress; to transform enterprise managerial mechanisms; to strengthen enterprise management; and to create a number of first-class, high-quality products that have high additional value, create excessively high profits, have wide marketing potential, and register low consumption. This is not only our development orientation but also the key economic task of 1992.

We should first quicken the readjustment of the industrial structure and the product mix, consolidate and strengthen primary industry, readjust and transform secondary industry, and speed up development of tertiary industry. We should achieve overall structural readjustment according to the state industrial policies and the development plan of Tianjin and in line with the objectives of making the urban and rural areas a coordinated process, speeding up the development of the export-oriented economy, and displaying the key role of the economy. With regard to industrial structural readjustment, we should attend to the following few tasks: First, we should strengthen the development of such basic raw material industries as crude oil, crude salt, petrochemicals, ocean chemicals, and metallurgy. Second, we should vigorously develop new high-tech industries, including microelectronics, numerical controlled machine tools, biological engineering, new energy resources, and new materials. Third, we should adopt advanced technology to transform traditional industries and to speed up the upgrading and updating of products. This year, relevant departments should conscientiously revise and perfect the plan for structural readjustment and the plan for development by stages; speed up the development of 10 trades, including vehicles, communications equipment, machine tools, fine chemical industry, metal products, and medicines; and conduct, according to the fiscal plan, technological transformation among 245 projects each costing more than 1 million yuan. We should continue to achieve structural readjustment according to the market demands, increase the production of readily marketable products, and particularly make the "four new" readily marketable products become economically strong as soon as possible. Simultaneously, we should resolutely eliminate backward products without market competitiveness. Readjustment should be linked with reform, transformation, and reorganization. We should make short-, medium-, and long-term plans and assign tasks and duties to each level so as to further positively and solidly readjust the structures.

Second, we should actively develop markets and do a good job in operations and marketing. All enterprises should further strengthen their sense of the market; successfully conduct market investigation and research; establish the leading role of operations and marketing in enterprises; change the priority from supply, production, and marketing to marketing, supply, and production; open up various channels; adopt diversified forms; try by all possible means to strengthen marketing; expand the

market coverage of products; and effectively increase industrial production. We should make efforts to promote sales, reduce stockpiles, and accelerate the circulation of funds.

Third, we should continue to consider raising product quality and reducing material consumption as a priority and realistically strengthen enterprise management. The quality issue is a major issue affecting the rise and decline of enterprises; therefore, it must be treated as the most important part of economic work. The top leaders should grasp this work personally; make strict appraisals; and link the quality targets with workers' awards, punishment, and distribution. Plants and marketing units that sell fake and inferior products or palm off shoddy goods as good ones must be strictly investigated and handled. Enterprises producing products that seriously harm the people's safety and health must be called to account. High consumption, much waste, and great losses are common. We should continue to launch activities for increasing production, practicing economy, increasing revenue, and reducing expenditures. By strengthening basic enterprise management and various sorts of specialized management, we should strengthen the economic accounting of all levels, strictly observe the work post responsibility system, gradually implement the objective and measures for these activities at each level, and realistically solve problems in this respect. Continued efforts should be made to firmly grasp the work of ending deficits and increasing profits. This year the range and volume of deficits of enterprises should show a decline of 20 percent from the previous year. We should give priority to helping enterprises that have a hope of ending deficits; and should close down, suspend production, merge, or change the line of production of those enterprises that produce unmarketable products, lack orientation for transformation, and have no hope of ending deficits for a long time.

B. We should strengthen the basic status of agriculture and accelerate the pace of modernization in the rural areas.

The rural areas across the municipality should conscientiously study the guidelines of the eighth plenary session of the 13th party Central Committee; continue to adhere to the orientation of developing suburban area-oriented and export-oriented economies and the principle of "serving the urban areas, making peasants rich, and building a socialist new countryside"; give priority to accelerating rural modernization construction; and promote the comprehensive development of the rural economy.

We should take high yield, quality, high efficiency, and low consumption as our target and accelerate the building of a highly efficient type of farming. As a suburban county of a big city, the rural area of our municipality has a dense population but limited land, and its cost of labor forces is quite high. Therefore, all farming must concentrate on producing high value-added products. First, we should guarantee a steady

increase in grain production, and while stabilizing the grain field acreage, we should reclaim wasteland in a planned manner, fully display the role of farm machinery, transform medium-and low-yield fields, raise the multiple crop index, and raise the level of per unit area yield. Continued efforts should be made to readjust the structure of crop cultivation; actively develop brand name, special, quality, and new varieties of grain and cash crops; and actively develop farming that can earn foreign exchange. We should further improve the nonstaple food production and supply system; on the basis of guaranteeing the nonstaple food production, we should place the emphasis on developing quality, high-grade, precision, fresh, and small-package products to satisfy the increasingly high consumption needs of the urban and rural people. It is necessary to implement the strategy of developing agriculture with science, technology, and education; and support agricultural advanced technological research, popularization, and application. We should actively persuade peasants to increase agricultural input and to gradually form an agricultural accumulation and input mechanism marked by a combination of the efforts of the state, collectives, and peasants.

Township enterprises have already become the major pillar for making the rural areas become well-off and for agricultural modernization; efforts should be made to further accelerate their development. Township enterprises are facing a changing economic environment, and acute market competition has also imposed a new challenge on township enterprises. In this connection, township enterprises must not be satisfied with their achievements. Instead, they should make efforts to raise their technological level and operational management level, to pay attention to operational scale, and to raise economic efficiency. Attention should be paid to using natural resources to develop the intensive processing of farm and sideline products. Efforts should also be made to encourage and guide township enterprises to organize or join enterprise groups, to pay attention to linking township enterprises and urban large industrial enterprises, and to accelerate the development of export-oriented production. We should relieve the burdens of enterprises, have enterprises increase their accumulation, do a good job in using the industrial surplus to build up agriculture or to make up agricultural shortages, and help localities that are relatively backward accelerate their development of township enterprises.

We should enhance the construction of villages and towns and of infrastructures in rural areas and continuously improve the living environment and investment climate in rural areas. A good job should be unwaveringly done in building water conservancy works, consolidating work along rivers and embankments, upgrading the capability of flood prevention and relief, and completing the fixed projects in line with the planned rate of progress and the planned standard of work quality. Since the winter-spring period, rural areas throughout the municipality have seriously suffered from drought.

Therefore, it is imperative to realistically enhance the work of combating drought and to vigorously turn the fields into those that are sure to have high or stable yield in spite of drought or waterlogging. A good job should be done in planting trees to upgrade the level of afforestation.

C. Efforts should be made to continuously broaden opening up and to accelerate the development of the export-oriented economy.

Our municipality is developing in depth its work of opening to the outside world, and the basic work pattern has taken shape. We should further display a pioneering spirit, and do a lot of work this year, as well as uphold the principle of pushing forward in an overall way and making a breakthrough in the crucial link.

First, based on being responsible for losses and profits in foreign trade and exports, we should lower the cost of earning foreign exchanges; vigorously handle the debts caused by losses; and strive to overfulfill the export task. Efforts should be made to accelerate the enforcement of the strategy of market pluralism; to open more broad international markets in Southeast Asia, East Europe, North Europe, Middle East, Africa, and Latin America, while consolidating and developing existing markets; and to vigorously develop trade with neighboring countries and border trade. To meet the need, we should readjust and reinforce, as soon as possible, offices in foreign countries and develop such offices; we should establish commodity distributing centers and joint venture or cooperative trade organs among key countries and regions in the world. In line with the demand of international markets, we should readjust the structure of export commodities; continuously broaden the export of light and textile industrial products; vigorously develop the export of machinery and electric products; actively foster or develop new competitive products for exports; and upgrade the proportion of export products with high technical content and large additional value. Efforts should be made to further develop labor migration and to increase nontrade incomes.

Second, we should actively broaden the utilization of foreign capital. Enterprises of the "three kinds of capital" represent a beneficial supplement to the socialist economy and are favorable for socialism in the final analysis. We should give a free hand and broaden our thinking so as to enable our municipality to greatly upgrade its scale in the utilization of foreign capital. We should pay great attention to directly utilizing foreign capital and carrying out large projects that can do well; and we should integrate the utilization of foreign capital with the readjustment of industrial structure and the product mix, with the grafting and technical renovations of out-dated enterprises, with the work of increasing foreign exchanges earned from exports, with the enhancement of construction of infrastructures, with the large-scale development of land, with the promotion of reform of old cities, and with the development of tertiary industry. Efforts should be made to further improve the

investment environment, to start building a large number of world-standard facilities serving the people's livelihood, to improve services for foreign affairs, to perfect the regulations and rules on foreign affairs, and to attract more foreign businessmen or firms to open enterprises or engage in trade in the municipality. We should also enhance propaganda abroad and will hold several large-scale international seminars this year to draw beneficial experiences, to continuously pioneer ideas, and to upgrade the exposure of Tianjin Municipality.

Third, we should fully display the comprehensive advantages of opening up the entire municipality. Our municipality has established economic and technological development zones, bonded areas, and a new technology industrial park which enjoy state preferential policies. These three zones should not only do a good job in self-development, but more importantly, they should also open their doors wide; serve the entire municipality, the hinterlands, and overseas clients; and make efforts to form a two-pronged axis of opening up domestically and to the outside world. The bonded areas should improve facilities, expand invitations to foreign traders, and create a good investment environment; the development zones should achieve new progress in developing and running large "joint, cooperative, and foreign-funded" enterprises on a large tract of land and develop "leading and supporting" items; the new technology industrial park should make big strides in developing high and new technological industries, popularize and apply scientific and technological findings, and adopt new technology to transform traditional industries. In displaying the role of these three zones, we should also combine it with the role of the initially-formed coastal, urban, and suburban-county open zones of three different levels and enable them to supplement and promote each other with their own advantages in an effort to create a new situation of opening up in the whole municipality.

Fourth, we should accelerate the opening up and development of Tanggu district because this has great significance in expanding our municipality's opening up, realizing the shifting of industrial priorities to the east, and promoting economic development in the whole municipality. The municipal government recently decided to take the acceleration of opening up and development of Tanggu as one of the priorities of municipal work and defined principles for "strengthening leadership, relaxing policy restrictions, and expanding authority." All departments concerned should resolutely implement and conscientiously fulfill all policies and measures which had been set. All sectors in the municipality should care for and support the construction of Tanggu, and through several years of efforts, enable Tanggu district to become the forward position of opening up our municipality and the northern part of our country.

D. We should accelerate development of tertiary industry, invigorate the economy, and make living more convenient.

Developing tertiary industry is an important component of our municipal industrial structural readjustment and a major measure for displaying our municipality's role as an economic center. We should increase understanding, correctly define our position, clarify policies, and accelerate the pace of development on the basis of the existing foundation.

The content of tertiary industry is fairly extensive. First, we should rapidly develop industries that directly serve economic construction. It is necessary to further perfect the banking mechanism; develop the money market; accelerate the issuance of negotiable securities, such as stocks and bonds, and try to put them on the market; establish and perfect the stock markets, the foreign exchange regulation markets, and loan-lending markets; and successfully run the Jiaotong Bank and other banks to absorb foreign capital. Continued efforts should be made to accelerate the pace of developing communications and post and telecommunications infrastructure facilities; perfect the urban communications and telecommunications networks; and enhance the modernization level of the urban areas. We should actively carry out scientific, technological, investment, market, commercial information, operation and management information consulting services and establish information service systems to serve the governments, society, enterprises and the rural areas. It is necessary to make efforts to develop the real estate industry and other related industries such as building, house furnishing, and maintenance industries. The municipal government is organizing forces to study and improve the plans, firmly implement them, and strive to make substantial steps during this year.

Through several years of efforts, our municipality's commercial, catering, service, and tourist industries already have conditions for great development. This year we should make a big breakthrough. The basic ways and methods of achieving success are to concentrate efforts on cultivating and developing markets and to gradually establish a commodity circulation market system characterized by the coexistence of various categories of markets that suit the distinct features of big cities, that focus on wholesale markets, and that include state and cooperative commercial enterprises, state material enterprises, country fairs, and specialized markets, and strive to make this system covers all trades and professions, with perfect functions, advanced facilities, and good service. We should renovate, expand, and build a large number of comprehensive shopping centers; improve or develop a large number of markets for farm products; open a large number of specialized markets and shopping centers; open in a planned manner early morning, night, and weekend markets in downtown; and make the markets more brisk. Efforts should be made to actively develop or utilize the municipal resources of tourism, to do a good job in holding the yearly tourism campaign in 1992, and to attract a maximum of both domestic and foreign businessmen and tourists. We should build the municipality into a civilized and clean central city to

which large crowds of businessmen come and many tourists make sight-seeing trips.

In developing tertiary industry, we should extensively mobilize social forces; enforce the principle of having the state, collectives, and individuals simultaneously join in development; and actively attract outside places to open joint venture or cooperative enterprises in the municipality. In line with the orientation of socialization and specialization, we should vigorously increase economic results; establish the self-development mechanism of tertiary industry; readjust or improve policies; and create a flexible environment for development.

E. Efforts should be made to increase construction of key projects and the reserve strength for economic development.

Among those whose construction operation has successively begun or whose first-phase preparatory work is being made are 10 key industrial projects, 10 large projects of communications and energy resources, and 10 large projects of public utilities covered by the municipal Eighth Five-Year Plan and 10-year program, as well as a large number of key technical renovation projects. Successfully grasping these projects has great significance for reinforcing the actual strength of economic development, enhancing the function of urban carriers, and upgrading the people's living standards.

We must make all-out efforts to successfully grasp the key projects that are under construction, accelerate the pace of building the seamless steel pipe plant, ensure the quality of projects, do a good job in making preparations for production and personnel training, and ensure the trial operation of the pipe plant at the end of this year. We should earnestly organize outstanding workers and capable leading personnel to carry out by defining targets and duties and raising funds for the construction, in line with the demands of the annual plan, the key projects of building the ethylene plant, the Xiali automobile plant, the power plant in Jixian county, the program-control switch board, the steel cable plant, and the rolling mill of high-speed wire rod. We should also list the building of the Sanfeng automobile plant, the refrigerator compressor plant, the forging machine tool plant, the coating plant, the tourist products factories, the oil refinery, and joint-venture and sole-funded enterprises as key projects. Efforts should be made to ensure the accomplishment of these projects with high quality and speed. A good job should also be done in building the five large and medium-sized commercial projects, including the Tianxiang department store and the Binjiang business building. We should build, renovate, and expand a large number of science, education, culture, public health, and physical culture and sports facilities, including the scientific and technological museum, the gymnasium, the industrial exhibition hall, the Nankai hospital, and 15 middle and primary schools. Continuous efforts should be made to build the Jin-Tang section of the Jing-Jin-Tang express highway, the inner ring road of the city, the waterworks along the Xinkai He, and the sewage

treatment plant in the eastern suburbs. We should complete the work of consolidating a number of low areas in the city and of setting up the additional natural gas supply pipeline between Dagang and Liulin. We should newly build or rebuild 2 million square meters of residential houses and repair, on a large or medium scale, 1.5 million square meters of old houses. We should also carry out the projects concerning municipal administrative facilities and the people's livelihood, including the 1.5 million square meters of households that will enjoy central heating. These construction tasks are very heavy; therefore, we should adopt effective measures to ensure the accomplishment of these projects within the given date. The capital construction front should maintain and develop the fine tradition of boldly handling knotty problems, establish managerial procedures and methods scientifically, ensure work quality, bring the construction prices under control, shorten the building period, and enable these projects to achieve good economic results and social benefits as soon as possible.

F. Strenuous efforts should be made to push forward scientific and technological undertakings and to upgrade the quality of the national economy as a whole.

Recently, the municipal party committee defined the strategic guideline of "having science and technology make the municipality prosperous," which will certainly promote developing the economy in the municipality. Various departments and enterprises across the municipality should foster the thinking of regarding science and technology as the first productive force, define their clear strategic targets, deepen reform in scientific and technological systems, and adopt resolute and effective measures in order to implement the guideline of having science and technology make the municipality prosperous.

To develop the municipality through the application of science and technology, we should give prominence to industry, which is the key area, while comprehensively promoting other fields. We should further facilitate the integration of science and technology with the economy and establish, as soon as possible, a mechanism for science and technology to be quickly transformed into real productive forces. We should strive to achieve success in the research of applied technology and application of practical technology, exert active efforts to develop new technology and new products, carry out scientific management, raise the entire industrial level, and truly bring Tianjin's economic construction to the track of relying on scientific and technological advance and improving the quality of laborers. The priorities of Tianjin's scientific and technological work for this year are to make continuous efforts to tackle the difficulties of the motor vehicle, electronic, and eight other key projects; to achieve success in the application of the 38 major scientific and technological achievements; to complete the development of the 1,600 new products; and to realize the domestication of the six key imported products, such as the Xiali cars, video recorders, and fax machines, while guaranteeing their quality. We should

solve key technical problems in the development of new industries and highly competent products in the process of adjusting the industrial structure and product mix; greatly disseminate and apply new technology, new measures, new materials, and new equipment with the focus on reducing the consumption of energy resources and materials to improve our basic measures and processing level; make the best use of our advantage of having substantial scientific and technological forces and give play to the role of the central scientific research units stationed in Tianjin and institutes of higher learning to further expand the association and cooperation between scientific and production units; develop the scientific and technological cooperation between different provinces and municipalities, different areas, different departments, and different ownerships; organize the development, research, and production of complete sets of technology and equipment in a planned manner; and develop the role of technological cooperation organizations at all levels to launch mass activities of technological innovation and technological cooperation.

To realize the integration of science and technology with the economy, production enterprises should have great enthusiasm for relying on science and technology, and scientific and technological departments should have a strong sense of responsibility for actively serving economic construction. The State Council has drawn up 12 policy measures for facilitating the technological advance of enterprises, and our municipality has also formulated specific regulations and demands on the input of scientific and technological funds, the development of new products, and the reform of scientific and technological systems. We should conscientiously implement them and apply the existing policies fully, successfully, and flexibly. Funds for scientific and technological development that are collected according to policy regulations should all be used effectively in achieving scientific and technological advance and never be used for other purposes.

The vast number of scientific and technical personnel constitute the backbone force for developing Tianjin through the application of science and technology. We should carry out the principle of "respecting knowledge and trained personnel" more successfully; show concerning for the political, work, and everyday life of scientific and technical personnel; resolve their specific difficulties and problems; and provide favorable conditions for them to fully develop their wisdom and intelligence. We should give ample rewards to specialized technical personnel who have made outstanding contributions. We should attach importance to the training, use, and promotion of young scientific and technical personnel so that those who are outstanding can have the opportunity to show their talents. Meanwhile, we should have the courage to attract domestic and foreign talented people. We should establish and improve the system to protect intellectual property rights and develop the role of the patent system in developing scientific and technological undertakings. This year, we will hold a municipal

scientific and technological work conference to make comprehensive arrangements for the work to develop Tianjin through the application of science and technology; to commend a group of scientific and technical workers, leading cadres, workers, and rear-service personnel; and to summarize and disseminate some advanced examples so as to establish a dense atmosphere in which the entire municipality relies on scientific and technological advances to develop its economy.

### **III. We Should Further Strengthen the Courage and Insight of Reform and Comprehensively Quicken the Pace of Reform**

Revolution emancipates the productive forces, so does reform. There will only be a road to ruin if we refuse to persist in socialism, advocate the reform and open policy, develop the economy, or improve the people's livelihood. Over the past 10 years or so, big changes have taken place in the municipality. The situation is stable, the economy is well developed, and the people are pleased because we persist in reform and opening up. From now on, we should further accelerate the pace of reform, widen the extent of reform, and inject new vitality into the development of various spheres with a view to eliminating the deep-rooted contradictions in economic activities, realizing the second-step strategic goal, and comprehensively rejuvenating Tianjin. We should put the acceleration of reform in a prominent position, further emancipate the mind, become braver, make bigger steps, do solid work, do pioneering work, blaze new trails, and be sure to create greater results in reform.

The general requirements for economic structural reform are to persist in the socialist orientation, to accelerate the development of the planned commodity economy, and to vigorously transform enterprise managerial mechanisms and establish the market system in line with the operational mechanism of linking planned economy with market regulation. We should make greater breakthroughs in conducting reform in some major aspects, promote reform in all spheres, further deepen the contents of reform, and pay particular attention to conducting trial reform in some new aspects. According to these requirements, this year, we should prominently attend to the work in the following five aspects.

A. We should focus on transforming managerial mechanisms and further deepen enterprise reform.

Vitalizing enterprises, particularly state-owned large and medium-sized enterprises, is still the key link of this year's economic structural reform. We should conscientiously implement the enterprise law; accelerate the transformation of managerial mechanisms according to the objective of self-management, self-responsibility for profits or losses, self-restriction, and self-development; and actually push enterprises to markets. According to different actual conditions, enterprises should adopt effective reform measures; make bigger strides toward

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decontrolling management and enlivening the management of personnel affairs, employment and distribution; exert efforts to solve the problems relating to the "iron armchair," "iron rice bowl," and "the big pot;" and gradually establish the cadres management system in which cadres can be "promoted or demoted," the employment system in which staff and workers can be employed or fired, and the distribution mechanism in which wages can be raised or reduced. The large and medium-sized enterprises that have been defined to conduct trial reform should make greater breakthroughs in transforming their managerial mechanisms. These enterprises should try every possible means to decontrol management. In addition to assessing the appointment of the enterprise's top leaders and supervising the enterprise's contract and auditing work, responsible departments should let enterprises exercise the decision-making power in production and management and directly face the markets. Regarding management of cadres personnel affairs, we should carry out the appointment system. Regarding labor employment, we should carry out the system of contracted management for all staff and workers, make reasonable organization, and employ the capable through competition. Enterprises are allowed to decide their wage forms, to widen the differences in wages, and to give priorities to the workers and technicians who are working at the forefront or at the difficult, dangerous, and technologically complicated working posts. We should actually link labor payments with enterprise economic results and staff and workers' labor contributions. Leaders at various levels and relevant departments should continuously support and promote experimental enterprises and should deprive the enterprises that fail to make progress in reform of their qualifications for conducting trial reform.

Based on their own characteristics, enterprises of all types, including urban collective enterprises and township enterprises, should further improve the various forms of the contracted managerial responsibility system. They should focus on transforming their operating mechanism and deepening the reform of the three major systems—the labor and personnel system, the wage distribution system, and the social insurance system. Pertinent state departments recently formulated 12 opinions on the reform of the three systems. We should conscientiously carry them out and delegate to enterprises the power that should be delegated to them, as clearly stipulated. To ensure the autonomy of enterprises for reforming their own mechanisms, the municipal government has made the following decision: The rights of enterprises to recruit, employ, and dismiss staff members and workers shall be guaranteed; enterprises shall have the right to establish functional organizations in line with their actual situation, on the premise that they fulfill the tasks assigned by higher authorities; and enterprises shall have the right to refuse examinations, unauthorized inspections and evaluations of any departments, and the arbitrary collection of donations, fares, and fines. Enterprise directors and managers who are

supported by staff members and workers and who have an excellent performance record may continue to work beyond mandatory retirement age, as long as their contracts do not expire; those with outstanding contributions may be amply rewarded; those who have ossified ideas, who do not try to accomplish anything, or who do not make progress shall be reassigned but never transferred and allowed to continue serving as "officials;" and those who abuse power for selfish gains, divorce themselves from the masses to a serious extent, are extremely irresponsible in work, or who incur serious losses for enterprises shall have their responsibility investigated and be sternly handled. We should further improve the enterprise leadership system; persistently and fully develop the role of party organizations as the political core; adhere to and improve the director (manager) responsibility system; wholeheartedly rely on the working class; and enable party, administrative, and trade union organizations to closely coordinate and pool their efforts to improve enterprises. Enterprises and institutions in the fields of scientific research, education, culture, press, publication, public health, and sports should also make conscientious efforts to enhance their vigor with the focus on transforming their mechanisms in line with these guidelines and their own specific conditions and should promote the development of various undertakings through reform.

We should further emancipate our minds and do a good job in the reform experiments, which serve as breakthroughs and explorations. We should experiment with the "all-new mechanism" in a few enterprises that have advanced technology and good efficiency and whose products are highly competitive, and in new enterprises and institutions. We should make innovations in the management of property rights, relations between the state and the enterprise, employment, distribution, financial systems, social security, and internal regulation. We should put the new mechanisms into effect where conditions permit. The practice of "two systems in one plant" should be adopted in some relatively closed imported production lines and key workshops or departments. Some enterprises and trades should be chosen to try out the system of "separation of taxes and profits, after-tax loan repayment and contract execution." We should make active efforts to expand the experiment with the shareholding system, to probe ways to collect construction funds, and to improve the management of public property.

### B. We should accelerate the reform of the circulation system and market construction.

The orientation for the reform of the circulation system is, in line with the demand for the socialist planned commodity economy, to gradually establish an open, unimpeded, and highly efficient circulation system that can be regulated and controlled to enhance Tianjin's function of distributing commodities and materials and to restore and develop its role as a large commercial port engaged in large-scale circulation. We should reform the existing wholesale system, transform functions and

mechanisms to change our business methods, and develop large-scale collection and distributions of commodities. Concerning the wholesaling and purchasing of the products of our municipality, we should greatly develop joint marketing by industrial and commercial enterprises and urge them to pool their efforts and develop their advantages and enthusiasm to sell more products produced by our municipality. This year, we should achieve realistic progress in developing joint operations, joint marketing, sales on commission, and chain stores; in establishing commodity marketing centers in other provinces and municipalities; and in opening up national and regional markets for important commodities. Through reform, we should make wholesale enterprises across the municipality tap their internal potential in a better manner in order to end the deficit situation and to raise economic efficiency. While perfecting the leasing and contract operational systems and trying out the shareholding system, commercial enterprises dealing with retail sales should carry out reform in "decontrolling operation, prices, employment, and distribution." It is necessary to promote market development; step up efforts to establish and perfect the consumer goods markets, capital goods markets, money markets, technology markets, personnel markets, labor service markets, and property rights transaction markets; and create the essential conditions for enterprises to enter the markets. We should strengthen management over all existing markets of various descriptions, improve relevant regulations, and set norms to keep the trading activities within proper bounds.

Continued efforts should be made to deepen the reform of the foreign trade system; actively implement decision-making powers in foreign trade among the production and business enterprises with favorable conditions; expand the foreign exchange earning capacity of foreign trade companies in industry, agriculture, and commerce; and popularize and improve the system of combining industry with foreign trade and the foreign trade agent system.

C. We should actively promote the social welfare benefit system and the housing reform system.

This year we should further consolidate and expand the program of pooling the retirement funds of workers from the social sectors; try out the individual savings insurance system among workers and the enterprise supplementary insurance system; strengthen the standarized management of the old-age insurance funds; expand the coverage of the insurance system for former workers waiting for new jobs and selectively carry out this system in some pilot units; and actively investigate and study the medical insurance system and try it in some experimental units and explore ways and methods for reforming the medical system. Enterprises with good economic efficiency should take the lead in the aforementioned aspects, practice it boldly, and make bigger strides in this regard.

Our municipality's reform of the housing system has already been carried out smoothly. This year, we should realistically strengthen leadership in line with the objective of the housing reform plan and basic principles, promptly discover and solve the new situation and emerging new problems, manage well and make good use of the housing reform funds, expand the scope of housing construction, and create favorable conditions for further deepening housing reform. We should take active and reliable steps to promote reform of the land utilization system, and to comprehensively carry out the method of payment for the utilization of land for residential housing in the rural areas and the method of transferring land utilization rights and of payment for the use of land in urban areas.

D. We should further deepen rural reforms.

We should regard developing a socialized service system and invigorating the circulation of agricultural and non-staple food products as this year's rural reform priorities. On the basis of continuously stabilizing the contract responsibility system focusing on the family-based output-related contract responsibility system, villages, where conditions permit, should actively promote the "four integrated" services of mechanized plowing, mechanized sowing, irrigation and drainage, and crop protection; efforts should be made to strive to make 50 percent of villages implement serialized services before, during, and after production. We should pay attention to expanding service organizations, broadening the service spheres, and enhancing service functions on the basis of providing improved seed strains, breeding poultry and animals, and practical scientific and technological means, and on the basis of strengthening farmland and water conservancy construction. The key to invigorating the circulation of farm and sideline products is to solve the problem of difficulties in buying and selling in the rural areas. Decontrolled farm and sideline products should be managed in a flexible way so as to effect a smooth flow of goods. We should urge state commercial enterprises and the supply and marketing cooperatives to establish production-supply-marketing, cultivation-breeding-processing, and agriculture-industry-commerce associations with peasants, and to provide stable channels for peasants to sell their products. All districts and counties should actively create conditions, and, while generally establishing primary markets in line with local advantages, establish specialized markets in a planned manner, develop some comprehensive trading centers, run futures markets on a trial basis, and gradually form a market network with rational distribution and complete functions.

E. We should improve local macroeconomic readjustment and control.

We should enthusiastically promote the reform of the planning system, gradually reduce mandatory planning, expand guidance planning and market regulation, study the methods for applying economic means for indirect macroeconomic readjustment and control, carry out the

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new national economic accounting system, and improve the economic assessment targets for industrial enterprises. Simultaneously, we should quicken reform of the investment system and carry out the method of inviting tenders and the system of responsibility for contracted projects. According to the state requirements, we should strive to carry out the system of separation of taxes and profits. We should give full scope to the tax revenues' role in regulating the economy, cultivate financial resources, increase revenues, and reduce expenditures. We should strengthen and improve the departments for management of state property, explore new methods for managing state property, check up on property, determine property rights, and avoid losing state property. According to the state unified plan, we should positively and steadily complete the price reform work, gradually delegate to enterprises the right to fix the prices of their products, and improve price management methods. In regard to price reform and readjustment, we should give full consideration to the bearing capacity of the state, the enterprises, and the masses and adopt various measures to ensure that the majority of the people's living standards will not be reduced.

### **We Should Enthusiastically Promote the Construction of the Socialist Spiritual Civilization and Provide Reliable Guarantees for Economic Development, Reform, and Opening Up**

Under the new situation, we should attend to both reform and opening up and the struggle against various criminal activities, and grasp both material and spiritual civilizations. This year, the municipality should make bigger strides toward reform and opening up. The governments at various levels should pay great attention to this, do effective and solid work, realistically strengthen the construction of the socialist spiritual civilization, and ensure that the material and spiritual civilizations promote each other and that development is coordinated.

**A. We should make efforts to develop various kinds of education and comprehensively improve the quality of education.**

We should conscientiously implement the educational principles of the party, enthusiastically promote educational reform, upgrade the teaching quality in schools of various categories at various levels, comprehensively cultivate morally and physically qualified intellectuals, and better serve the economic construction.

We should continue to strengthen basic education; further solve the problem that the people who were born during the banner periods for childbirth are now entering primary and middle schools; reduce, to the maximum, the two-shift school system; strictly prevent primary and middle schools students from not entering schools; realistically lighten the excessively heavy school-work of the students; and positively and steadily reform the system of recruiting schools through examinations. Some 85 percent of the towns and townships in the rural areas should attain the requirements for popularizing

nine-year compulsory education within the year. According to the municipal economic construction requirements, the vocational and technical schools should optimize their structures, make reasonable development, and also establish a number of vocational and technical production experimental bases. We should focus adult education on in-service training, vigorously attend to various kinds of short-term training, and particularly grasp the training of group leaders and those holding key posts. In line with the principle of training before employment, we should guarantee the quality of newly employed laborers. In line with the implementation of the "spark," "prairie," and "harvest" plans, all districts and counties should pay attention to developing various kinds of agricultural secondary schools and elementary vocational schools and should run cultural and technical schools for adults in towns and townships.

On the basis of stabilizing the scale of institutions of higher learning, we should readjust, in a well-planned and systematic manner, their distribution and specialized structure. We should appropriately concentrate human, financial, and material resources to organize a number of key branches of learning and to cultivate increasingly more talented personnel who are specialized in the development of the export-oriented economy, tertiary industry, and new and high technology. We should bring our scientific and technological advantages into play; mobilize institutions of higher learning to positively undertake the scientific and technological tasks urgently needed in the economic construction of the municipality; and develop the scientific and technological industry linking education, production, and scientific research. We should further strengthen the ideological and political work of institutions of higher learning, do a good job in distributing and receiving university graduates, and encourage them to work at the grass roots and to consciously take the road of integration with the masses of workers and peasants. Simultaneously, we should positively create conditions for using what they have learned and for displaying their strong points.

We should mobilize all social circles to support education and gradually increase the investment in education. Under the very strained financial situation this year, the municipal People's Government has decided to increase the expenses of educational undertakings 6.5 percent over 1991 and 24.1 percent in the additional expenses of educational undertakings. Educational departments and schools of various categories should operate their schools austere, realistically do a good job in utilizing educational funds, and continuously reinforce and improve the conditions for running schools. Efforts should be made to continuously increase the teachers' contingent, vigorously upgrade teachers' quality politically and professionally, and improve as much as possible their working and living conditions.

**B. Efforts should be made to make culture and arts prosperous and to enrich the people's spiritual life.**

We should uphold the "principle" of having cultural and artistic undertakings serve the people and socialism and the "principle" of letting a hundred flowers bloom and a hundred schools of thought contend. While marking the 50th anniversary of Comrade Mao Zedong's "speech" at the Yanan literary and art forum this year, we should push forward literary, art and other work. We should vigorously carry forward the nationalities' fine culture; eulogize the spirit of the socialist age; and by drawing on the beneficial outside culture, turn out a large number of works in the fields of literature, drama, film, television, folk art, music, dance, and fine art that have high ideological and artistic standards and are well received by the masses. Attention should be paid to tapping materials from municipal conditions and customs, from municipal modern history, and from actual life, so as to carry forward our strong points in this regard and to gradually foster the pattern and characteristics of municipal literary and art creation. Continuous efforts should be made to broaden the channel of cultural exchanges with foreign countries, to expand the international exposure of Tianjin Municipality, and to do a good job in holding China's second artistic festival of international cities that have friendly ties. We should make the literary and art stage prosperous and lively and successfully conduct mass literary and art activities of various categories.

We should continuously consolidate and develop the culture among neighborhoods, enterprises, farming fields, households, school campuses, and army camps. A good job should be done in conducting various mass cultural and artistic activities and improving various kinds of cultural facilities.

In publication work, we should continuously implement the "principle" of readjusting the structure, optimizing selected topics, bringing the publication category under control, and of upgrading the quality of publication; and should publish a large number of good books with new significance, influence, and high quality. On the premise of upholding the social benefit, we should vigorously expand the sale and volume of books published by the municipality and increase economic results. We should enhance the social management over publishing activities, further improve the laws and regulations of publication, and establish good order in publication work and among the books and periodicals markets.

The units of mass media, including newspapers and radio and television broadcasting, should uphold the principle of regarding positive propaganda as a main task; accurately grasp the emphasis of propaganda this year; broaden the content of propaganda for reform and opening up by giving priority to the center of economic construction; and encourage or give a helping hand to economic construction.

C. Continuous efforts should be made to develop public health and physical culture and sports undertakings and to earnestly do a good job in family planning work.

A good job should be done in operating various kinds of hospitals and public health centers at all levels, rationally readjusting the allocation of hospitals, and improving the medical network that makes treatment services convenient for the people. Efforts should be made to bring into full play the role of the existing medical facilities; to continuously upgrade the medical standard; to do a good job in building medical morale; to enhance the management over medical administration; to bring unreasonable medical charges under strict control; and to provide the people with high quality, amiable, and low cost medical and health care services. We should vigorously grasp the implementation of public health work, disease prevention, and health care in rural areas; upgrade the primary work of public health and health care at the county-district level and the capability of the masses in self-health care; and enhance the work of supervising, investigating, and controlling the possibility of frequent or infectious diseases. We should intensely carry out the mass patriotic sanitation campaign, enhance management of environmental and food sanitation in accordance with the law, prevent serious epidemic diseases, and vigorously upgrade the health standard of the people throughout the municipality. We should also develop the undertakings of social welfare and successfully conduct the work of taking special care for servicemen's families and handicapped people and of carrying out disaster relief. A good job should be further done in conducting affairs related to old people and in increasing the service facilities to promote the development of affairs related to old people.

The physical culture and sports front should emphasize preparations for the seventh municipal sports games, should greet the sponsorship of the international Olympics, and should concentrate efforts on successful training. We should strive to have more of the municipality's athletes score good achievements in both domestic and international major sports games so as to win glory for the country. Attention should be paid to developing sports events among schools and particularly and successfully conducting sports teaching and training in middle and primary schools so as to discover or foster reserve talented personnel. Efforts should be made to extensively publicize or popularize sports knowledge to increase the people's interest in physical culture and sports and to further promote the development of mass sports activities.

A good job should be done in earnestly conducting family planning work. A large number of women have reached child-bearing age in 1992. Meanwhile, the delayed births in 1991 due to the influence of "the year of the sheep" has aggravated pressure on the municipality to bring population growth under control this year. Therefore, governments at all levels, departments responsible for the work, and units at the grass-roots level should attach much importance to family planning work. Efforts should be made to deeply carry out propaganda education on family planning; to continuously stabilize the birth control policies; to bring births outside

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the plan under strict control; by regarding rural villages as the emphasis of family planning work, to adopt effective measures to lower the birth rate and to realistically enhance the management over the family planning of permanent residents and of the floating population; and to vigorously stress a healthy birth and a sound up-bringing, as well as late marriage and late birth so as to effectively block the trend of a declining late marriage rate.

**D. Efforts should be made to enhance the comprehensive consolidation of public security.**

Maintaining social and political stability represents the premise of carrying out the programs of reform, opening up, and economic construction. Governments at all levels should display the spirit of being highly responsible for the people in order to continuously maintain or develop fine public security and order, as well as a stable social environment. A good job should realistically be done in comprehensively consolidating public security in line with the principles of relying on the vast number of people, of simultaneously dealing blows at or preventing crimes, of taking both radical and stopgap measures, of bringing the whole situation under control, and of reinforcing management. Efforts should be made to increase the public security personnel contingent, judicial organs, and armed police forces; and to bring into full play the role of the people's democratic dictatorship. We should resolutely struggle against all hostile forces and elements who are adopting a hostile attitude toward or destroying socialism. Continuous efforts should be made to thwart serious criminal activities, to deeply launch the struggle against the "obscene things" and "six vices," and to emphatically investigate and handle appalling and serious cases. We should grasp in a timely manner the ideological trend of the people, adequately deal with various contradictions within society, give timely guidance to contradictions and disputes among the people, refrain from simply handing over contradictions to higher authorities or from intensifying them, and strive to deal with problems from within the unit or at the grass-roots level.

**E. Efforts should be made to enhance and improve ideological and political education.**

Actively coordinating with party organizations to enhance propaganda education and successfully conducting ideological and political work represent important duties undertaken by governments at all levels and by administrative departments. We should conduct penetrating and long-term propaganda education on the party's basic line so as to enable the "one center, two basic points" to take root in the hearts of the people and to become the common ideological and political foundation of the people throughout the municipality. By bearing in mind the reality of reform, opening up, and economic construction, we should organize cadres at all levels to study Marxist and Leninist works; Comrade Mao Zedong's works; the works of Comrade Deng Xiaoping and other elderly proletarian revolutionaries;

the series of important documents issued by the CPC Central Committee with the core of Comrade Jiang Zemin since the Fourth Plenary Session of the 13th CPC Central Committee; and particularly the spirit of important directives recently issued by the CPC Central Committee, so as to have them deepen their understanding of the theory and line of building socialism with the Chinese characteristics. Among the masses in both urban and rural areas, we should extensively and deeply conduct education on patriotism, collectivism, socialism, and on the practice of self-reliance and arduous struggle. Among enterprises, we should continuously do a good job in conducting education on the basic line and on the basic conditions of the country; among rural villages, we should concentrate our efforts on conducting education on socialist ideology in line with the unified arrangements made by the central authorities; among schools, we should deeply conduct education on modern history and the basic state conditions. Governments at all levels should do a good job in ideological educational and propaganda work among the broad masses of workers in connection with the major measures on reforms and opening up issued by our municipality and should win the understanding and support of the people. Through education, we should promote a patriotic spirit and increase our sense of responsibility to the state, the nation, and society. It is necessary to conduct intensive education on social morality and family ethics; establish and develop a socialist human relationship of a new type; and form a good practice of respecting the old, cherishing the young, supporting the poor, sending relief to those in difficulty, being happy to help other people, and changing the prevailing habits and customs. Continued efforts should be made to build civilized units, to conduct activities to build spiritual civilization with the joint efforts of the army and the people, and to create five-good families.

The Chinese Liberation Army [PLA] of China is a strong pillar of the dictatorship of the proletariat, displaying an important role in building national defense and economic construction. Governments at all levels should continue to actively conduct activities on supporting the army and giving preferential treatment to the families of martyrs and servicemen and should further strengthen unity between the army and the government and between the army and the people. It is necessary to do a good job in conducting education on national defense and in building national defense reserve forces, and to strengthen the people's air defense work.

### **V. We Should Strive To Meet the Demand of the New Situation and Realistically Improve the Work of Governments at All Levels**

Further strengthening the self-development of governments at all levels is of greater and more practical significance under the current new situation. Governments at all levels and all personnel should be good at studying and handling problems from a political perspective, profoundly understand the severe situation facing us, correctly approach the arduous and heavy tasks we

are shouldering, more consciously and comprehensively implement the party's basic line, enhance the spirit, make vigorous efforts to make the country prosperous, work hard, and do our work well.

**A. We should further unify thinking with the theory of building socialism with Chinese characteristics.**

Our country's more than 10 years of practice showed that the theory and line advocated by Comrade Deng Xiaoping on building socialism with Chinese characteristics constitute a major breakthrough of profound significance in scientific socialist understanding and the only correct way for guaranteeing a long period of order and stability in our country and for advancing victoriously along the socialist road. Using the socialist theory and line with Chinese characteristics to unify thinking is a sharp ideological weapon for judging right and wrong, unifying understanding, forming a joint force, and eliminating interference during the entire initial stage of socialism. Governments at all levels should conscientiously study, deeply understand, and resolutely implement them.

The party's basic line on "one central task and two basic points" is closely connected, and is an inseparable whole. It proceeds from the fundamental tasks of the initial stage of socialism, stresses the development of social productive forces, and defines the correct way and provides a reliable guarantee for fulfilling tasks. To develop social productive forces and promote comprehensive social progress, we must conduct reforms and opening up and establish a socialist economic system with vigor and vitality; to successfully carry out economic construction, reforms, and opening up, we must have a stable environment and a correct orientation, and must always pay attention to the four cardinal principles. The central leading comrades pointed out: We must persevere in the basic line for 100 years, and we must not waver. We should firmly believe it ideologically, and put it into action unwaveringly.

To use the socialist theory and line on building socialism with Chinese characteristics advocated by Comrade Xiaoping to unify thinking, we must be more conscious in taking economic construction as the central task and must be wholly absorbed in pushing economic work forward. We should always firmly grasp the central task of economic construction and submit all other fields of work to and serve this central task of economic construction. By no means should we lash out at or interfere with this central task, nor decentralize and divert our attention. Whether we can always be in an invincible position and persistently take the socialist road under the current complicated international situation is decided by our own work and the progress of economic construction. This is a great matter of vital and lasting importance to the consolidation of the socialist system. The comrades who have shown concern for the destiny and future of the party and the state should, from the high plane of the socialist cause, consciously persist in the central link of economic construction, have a strong sense of political

responsibility and a strong sense of urgency, firmly grasp opportunities, and accelerate the pace of economic construction.

To unify our thinking with the theory and line of socialism with Chinese characteristics, we should further emancipate the mind and persist in the reform and open policy. Through deep study and discussion, this year all enterprises and units should emancipate their minds and transform their concepts. The key to achieving this hinges on discarding various kinds of misgivings and avoiding the binding of hands and feet under the influence of ossified concepts. We should only try what has been thought to be accurate, go ahead daringly, sum up experiences quickly, persist in what has been proven accurate, and correct what has been proven inaccurate. Planning and the market are economic means but not the essential difference between socialism and capitalism. Capitalism has planning, and socialism also has the market. The standards for judgment are to see if it is conducive to developing the productive forces of the socialist society, enhancing the overall national strength of the socialist country, and improving the living standards of the people. We should daringly assimilate and use for reference all civilized achievements created by the society of the mankind, and the advanced management and managerial methods which reflect the modern socialized production law applied by various countries in the world, including the developed capitalist countries; and apply their achievements and advanced methods to developing the cause of socialism with Chinese characteristics.

To unify our thinking with the theory and line of socialism with Chinese characteristics, we should constantly pay attention to adhering to the four cardinal principles. Adhering to the four cardinal principles is a historical choice made by the Chinese people through long-term struggle, the political foundation for uniting with the people of various nationalities across the country, and the fundamental guarantee for developing socialist modernization. Our reform is to improve the socialist system under the leadership of the CPC. Thus, we must ceaselessly strengthen education on adhering to the four cardinal principles and opposing bourgeois liberalization to ensure the correct orientation of reform and opening up and to create a stable social environment for reform, opening up, and economic construction. We should consciously apply the forces of the people's democratic dictatorship to safeguard socialism and to promote economic development and social progress. This is a long-term task. We must not ignore this at any time.

**B. We should continue to persist in the basic work ideology of doing everything for the people and relying on the people to do everything.**

Under the new situation, the governments at various levels should continuously implement the party Central Committee's decision on strengthening the contacts with the masses, solve the ideological and practical problems

relating to establishing contacts with the masses, consciously establish a correct relationship with the masses, and fully mobilize the vast number of people's enthusiasm for building socialism. The masses are annoyed at some problems in economic and social activities. This has dampened their enthusiasm. We should clearly understand this. Leading organs should be determined and should be the first to take the feeling of the people as their first signal and to pay attention to matters that most concern the people. We should give priority to the following two tasks in this regard: First, efforts should be made to increase administrative honesty and to get rid of things that are detested and opposed by the common people so that they become less passionate. Second, units at all levels should do practical deeds, do what benefits the masses, and realistically deal with some practical problems that crop up in the people's livelihood. In increasing administrative honesty among governments at all levels in order to correct the malpractices cropping up in various industries and trades and to overcome the negative and corrupt phenomena of seeking personal gain by taking advantage of power and of bureaucracy, we should curtail the malpractices along with conducting administrative legislation and improving the systems while upholding the enforcement of ideological education. We should formulate a set of clear regulations on administrative procedure; specify, methodize, and standardize the links of administrative decisions, administrative sanction, administrative law enforcement, administrative supervision, and administrative reconsideration; and open these regulations to the public so as to make things convenient for the people's supervision. Those who have violated regulations and sought personal gain by taking advantage of power should be strictly handled. Those who have violated criminal law and discipline should be punished in accordance with the law. Leading personnel at the municipal level should make examples of themselves by performing administrative duties honestly, and units at every level should be responsible for the administrative honesty of their subordinate organs in order to implement, in a down-to-earth manner, the systems formulated by the municipal party committee and the municipal people's government with regard to building administrative honesty. We should enhance education on professional ethics, formulate pledges of professional behavior, and enhance supervision and inspection so as to enable the industries and trades that are concentrating on correcting their malpractices to take the lead in achieving obvious improvement. In 1992 we should put the task of improving the people's livelihood in a more important position. The municipal people's government will continuously uphold the principle of doing 20 practical deeds for improving the people's livelihood, make overall arrangements among the limited financial and material resources, and concentrate its efforts on accomplishing the things related to the whole situation which are urgently needed by the masses. Governments at all levels and various departments and units should uphold the good method adopted by the municipality with regard to doing practical deeds for the people and foster

a good morale in which units at every level are doing practical deeds, and the people from various circles are joining in the drive of doing practical deeds. In the course of doing practical deeds for the masses, we should pay attention to listening to the masses' voice; experiencing and observing the weal and woe of the masses; respecting the people's will; and helping the masses, with all our heart and might, to get rid of their worries and difficulties. As for the common people who have no right, influence, and means, we should enable them to vent their grievances, to voice their opinions, to present their difficulties, and to have their problems solved. Various enterprises, establishments, and units should adequately deal with the living problems of staff members and workers and do practical things for them as much as possible. As for problems that cannot be solved immediately, we should give explanations for the situation and carefully work out ways of dealing with them so as to enable staff members and workers to be hopeful and to enjoy comfort. As for losing enterprises whose production has been totally or half suspended, units responsible for the work should adopt realistic measures by being responsible for the people so that every household of staff members and workers can enjoy a peaceful life.

#### C. Efforts should be made to adopt resolute measures to overcome formalism.

We should earnestly implement the series of important directives recently issued by the central authorities with regard to changing the work style and vigorously guarding against formalism. Judging from the municipal situation, leading organs and comrades are still busy attending meetings, issuing documents, and engaging in excessive activities in various professions. In some fields, things related to formalism are excessive, have wasted much energy and time, and have adversely affected work and damaged morale. We must attach great importance to this formalism and be determined to solve it. Leading comrades at the municipal level and responsible comrades at the district-county level should be examples in combating formalism; strictly enforce the regulations formulated by the CPC Central Committee, the municipal party committee, and the municipal people's government with regard to improving the work style of leading organs; and establish or improve supervisory mechanisms. Efforts should be made to realistically reduce the number of meetings and documents, to strictly enforce the system of approving the convocation of meetings, to make checks at all levels, and to resolutely do away with meetings that are assuming great airs and without practical content. The municipal people's governments, districts, counties, and bureaus should earnestly examine the documents and brief reports submitted by their subordinate departments and units and should resolutely stop printing or relaying those that are duplicated and without referential value. The municipal government will take the lead in strictly controlling various ceremonies to cut ribbons, lay foundation stones, and mark the beginning of the distribution of

books or premieres, and all units should make resolute efforts to reduce such activities. We should conscientiously carry out the regulation on improving the news reports concerning leading comrades' participation in meetings and various activities and should not report ordinary meetings and activities. We should strictly control commendation, evaluation, inspection, and other activities to reduce the interference in enterprises. Leading comrades at all levels should devote major efforts to going deep into the grass-roots units and to the masses to conduct investigations and to study and help solve problems; and should integrate general calls with specific guidance so that all policy measures can be implemented to the letter. Starting with changing work styles, we should probe new managerial systems and methods, and, in line with the state arrangements for political reform, should further streamline organizations, transform government functions, and persistently do a good job in serving the grass-roots levels, serving production, and serving the masses.

D. We should step up efforts to improve the socialist democracy and legal system.

Improving the socialist democracy and legal system is an important condition and foundation for achieving socialist modernization. Governments at all levels should pay great attention to safeguarding the masses' democratic rights in political, economic, and social activities and should give full play to their role as masters in participating in and discussing the administration of state and government affairs. We should conscientiously implement the relevant resolutions and decisions of people's congresses and their Standing Committees and should handle the proposals and suggestions of people's deputies. We should take the initiative in strengthening the ties with the CPPCC, various democratic parties, the Federation of Industry and Commerce, pertinent mass organizations, and patriotic personages without party affiliation; should respect their opinions; and should persist in the practice of consultation before making decisions on major issues. We should support trade unions, the Communist Youth League,

and women's federations in their efforts to perform their work independently in line with their own regulations and to more extensively draw in and unite the people with whom they have contacts in order to plunge into reform, opening up, and economic construction. We should further achieve progress in the democratic political system at the grass-roots levels and improve the workers' congress, neighborhood committees, and villagers' committee systems. We should conscientiously implement the party's policies on nationalities affairs, Overseas Chinese affairs, and religion, and should develop the unity and cooperation of all the nationalities and strata of the municipality. We should fully understand the importance of legislative work. Legislative organs of governments at all levels should further gear their work to the needs of economic construction; improve their mechanisms for law-enforcement supervision and inspection; help, through their legal service, enterprises, especially the large and medium-sized state enterprises; gradually realize management according to the law; and actively create a good legal environment for reform, opening up, and economic construction through improving the ideological level, organization, vocational work, and systems of government legislative organs and administrative law-enforcement contingents. In coordination with the second five-year program to publicize and conduct education on laws, we should further enhance the people's sense of respect for the legal system and gradually bring the work in various fields to the track of the legal system.

Deputies! Tianjin's economic work should make new headway amid accelerated reform and opening up this year. In line with the guidelines of central instructions and the demands put forward at the eighth plenary session of the fifth municipal party committee, we should seize the current favorable opportunity to step up economic construction and work in other various fields with a strong sense of historical mission and responsibility. Let us further unite as one, arouse ourselves, advance along the road of building socialism with Chinese characteristics, and usher in the convocation of the 14th Party Congress with outstanding achievements on all fronts.

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